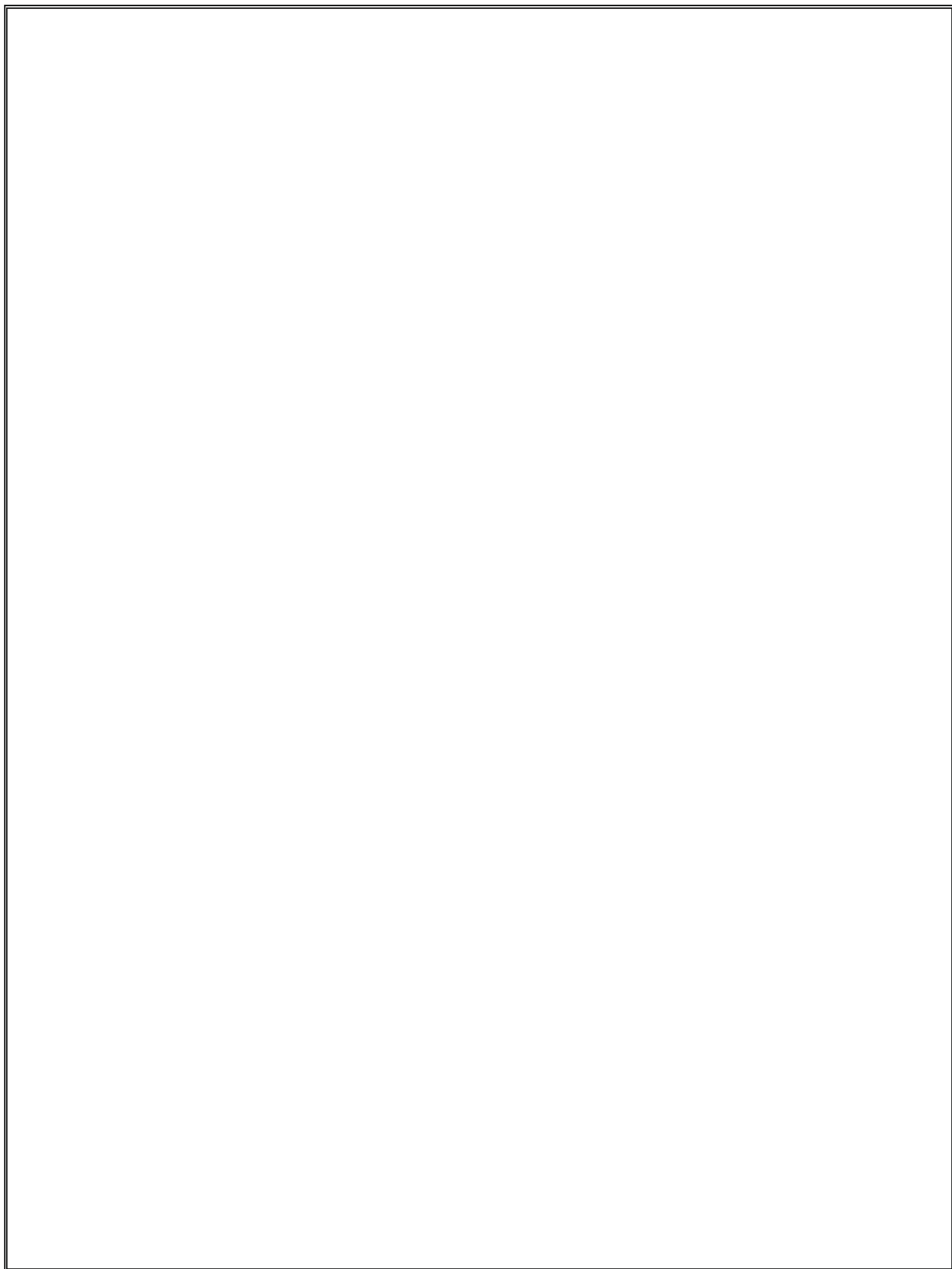


An Appraisal Report on
A 307.95± Acre Improved Tract of Land
Known as the Dorothea Dix Campus
Located on the South Side of Western Boulevard
At the Southern End of South Boylan Avenue
And on the Northwest Side of Lake Wheeler Road,
Raleigh, Wake County, North Carolina

Prepared for
Mr. Benjamin A. Mount, J.D., M.P.A.
Associate City Attorney
City of Raleigh
One Exchange Plaza, Suite 1020
Raleigh, North Carolina 27601

Prepared by
Donald S. Johnson, MAI
JOHNSON & KNIGHT APPRAISAL SERVICES, INC.
764 Weldon Road
Henderson, North Carolina 27537

As of
July 9, 2013





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February 24, 2014

Mr. Benjamin A. Mount, J.D., M.P.A.
Associate City Attorney
City of Raleigh
One Exchange Plaza, Suite 1020
Raleigh, North Carolina 27601

Re: 307.95± Acre Dorothea Dix Tract, Raleigh, Wake County, North Carolina

Dear Mr. Mount:

Pursuant to your request, I made a personal inspection of the above referenced property, located on the south side of Western Boulevard at the southern end of South Boylan Avenue, and on the northwest side of Lake Wheeler Road, Raleigh, Wake County, North Carolina. I have completed all necessary investigation and analyses in order to provide you with my opinion of the estimated market value of the fee simple, leased fee and leasehold interests in the property. In fulfillment of our agreement, I am pleased to transmit herewith my appraisal report of the estimated market value of the various stated interests in the referenced parcel of real estate, as of July 9, 2013.

The value opinion reported is qualified by certain definitions, assumptions and limiting conditions, and certifications which are set forth in this report. Following is my appraisal report which summarizes the methods, analysis of data, and the reasoning utilized in reaching my final estimate of value. This appraisal report is prepared for your sole and exclusive use. No third parties are authorized to rely upon this report without the express written consent of the appraiser.

Respectfully submitted,

JOHNSON & KNIGHT APPRAISAL SERVICES, INC.

Donald S. Johnson, MAI

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CERTIFICATION

I, the undersigned appraiser, do hereby certify that I made a personal inspection of the property that is the subject of this report, located on the south side of Western Boulevard at the southern end of South Boylan Avenue, and on the northwest side of Lake Wheeler Road, Raleigh, Wake County, North Carolina.

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I was asked to comment and did comment orally on several appraisal questions regarding the subject property for the NCDOA State Property Office in July 2012. I have performed no other services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- No pertinent facts or information brought to my attention or discovered by me during the course of my investigation have been withheld.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- I relied on an estimate of demolition cost prepared by D. H. Griffin Wrecking Co., Inc. No others provided significant real property appraisal assistance to the person signing this certification.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Code of Professional Ethics and Standards of Professional Appraisal Practice* of the Appraisal Institute.

I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. As of the date of this report, I have completed the continuing education program of the Appraisal Institute.

In my opinion the estimated market values of the various stated interests in the subject property, **based on the hypothetical condition the subject property is unaffected by the presence of hazardous materials/environmental contamination and on the extraordinary assumption the subsoil will support normal construction at the termination of the Soccer Fields lease,** are as follows:

Certification (continued)

SECTION I

Estimated market value of the fee simple interest in the 237.475± acre portion of the subject property unencumbered by lease for the Soccer Fields and the Healing Place, as though unencumbered by the December 2012 lease from the State to the City of Raleigh, as of July 9, 2013 was - \$37,449,500.00

Estimated market value of the leased fee interest in the 60± acre portion of the subject property leased to the City of Raleigh for Soccer Fields, not considering the December 2012 lease from the State to the City of Raleigh, as of July 9, 2013 was - 180,000.00

Estimated market value of the leased fee interest in the 10.475± acre portion of the subject property leased to the Healing Place of Wake County, not considering the December 2012 lease from the State to the City of Raleigh. as of July 9, 2013 was - 300,000.00

Total estimated market value of the 237.475± acre portion of the subject property unencumbered by lease for the Soccer Fields and the Healing Place, AND the estimated market value of the leased fee interest in the 60± acre portion of the subject property leased to the City of Raleigh for Soccer Fields, AND the estimated market value of the leased fee interest in the 10.475± acre portion of the subject property leased to the Healing Place of Wake County, all not considering the December 2012 lease from the State to the City of Raleigh, as of July 9, 2013 was - **\$37,929,500.00**

SECTION II

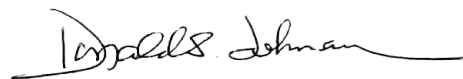
Estimated market value of the State's leased fee interest in the 307.95± acre subject property under the terms of the December 2012 lease from the State to the City of Raleigh, fully considering the existing leases for the Soccer Fields and the Healing Place, as of July 9, 2013 was - **\$8,611,100.00**

SECTION III

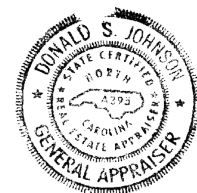
Estimated market value of the City of Raleigh's leasehold interest in the subject property under the terms of the December 2012 lease from the State to the City of Raleigh, fully considering the existing leases for the Soccer Fields and the Healing Place, as of July 9, 2013 was - **\$23,334,200.00**

Respectfully submitted,

JOHNSON & KNIGHT APPRAISAL SERVICES, INC.



Donald S. Johnson, MAI
NC State-Certified General Real Estate Appraiser #A395



February 24, 2014

Henderson, North Carolina

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal has been made with the following general assumptions:

1. The effective date of the appraisal to which the opinions expressed in the appraisal report apply is set forth in the certificate of appraisal. No responsibility is assumed for economic or physical factors occurring at some later date which may affect the opinions herein stated.
2. No opinion of title is rendered. Data on ownership was obtained from sources generally considered reliable. Because no title report was made available to the appraiser, no responsibility is assumed for such items of record not disclosed by our normal investigation or for matters of a legal nature pertaining to title considerations. Title to the property is assumed to be marketable unless otherwise stated. The property is appraised assuming it to be available for its highest and best use. **With knowledge and agreement of my client, and pursuant to the appraisal instructions, this appraisal is made to estimate market value under the property's highest and best use, without consideration to any restriction for recreational use.**
3. The property is appraised free and clear of mortgages, liens, encumbrances, and servitudes unless otherwise stated, and not considering any title defects, encroachments, easements or license agreements, or rights of occupancy. Subsurface rights (mineral and oil) were not considered in making this appraisal.
4. Responsible ownership and competent property management are assumed.
5. The appraiser was furnished a survey depicting the subject property. No responsibility is assumed for the legal description or property identification contained in the appraisal report. The property identification referred to in the appraisal report is taken from furnished information and from information obtained from the public records of Wake County and is assumed to be correct. Dimensions and overall land size calculations are also taken from furnished information and from information obtained from the public records of Wake County and are assumed to be correct. Should this information prove to be inaccurate, it may be necessary for this appraisal to be adjusted.
6. The appraiser has made no survey of the property and the boundaries are taken from records believed to be reliable. Any maps, plats, sketches, exhibits and illustrative material in the appraisal report are included only to assist the reader in visualizing the property, and the appraiser assumes no responsibility for their accuracy. Engineering studies, if any, are assumed to be correct.
7. No warranty is made as to the reliability of estimates and opinions of others used in making this appraisal, including information provided by informed sources, such as government agencies, financial institutions, real estate agents, buyers, sellers, property owners, accountants, attorneys and others, and no liability is assumed on account of errors or inaccuracies of such estimates, opinions or information.

Assumptions and Limiting Conditions (continued)

8. No survey was furnished showing the delineation of wetlands areas. The appraiser is not qualified to complete such a survey, and the intended user is urged to retain an expert in this field, if desired. This appraisal assumes that the development of the subject property is not negatively affected by the location of wetlands areas, if any, on the property. Should this information prove to be inaccurate, it may be necessary for this appraisal to be adjusted.
9. It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, described and considered in the appraisal report.
10. It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
11. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a nonconformity has been identified, described and considered in the appraisal report.
12. The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since the appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in developing an opinion of the value of the property.
13. No termite inspection was made of the property, however, the appraisal report and the value estimate herein is specifically predicated upon the property being inspected by a reputable, licensed exterminator, and the value found is based on the assumption that there is no active termite infestation or hidden damage to the structure.
14. The observed condition of building components, such as the foundation, roof, exterior walls, interior walls, floors, HVAC systems, plumbing, insulation, electrical service and mechanicals, is based on casual inspection only. No detailed testing or inspection of construction components was completed. No guarantee is made as to the adequacy or condition of the building components. This appraisal is based on the assumption that the building components are adequate and in good working order, unless otherwise specified. The structures were not checked for building code violations, and it is assumed that all buildings meet building codes unless otherwise stated in the report.
15. It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

Assumptions and Limiting Conditions (continued)

16. Any allocation of the total value estimated in this report between land and improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
17. The appraiser assumes that the reader or user of this report has been provided with copies of available building plans and all leases and amendments, if any, that encumber the property.
18. This appraisal covers premises described only. No figures, analysis or unit values set out herein are to be construed as applicable to any other property.
19. Any value estimates provided in the appraisal report apply to the entire property, and any proration or division of the total into fractional parcels or interests will invalidate the value estimate, unless such proration or division of interests has been set forth in the report.
20. No attempt should be made to extend adjustments for time used in analyzing sales contained in this report beyond the value date, since the real estate market in this area could change rapidly with a change in the economy, environmental regulations or other market conditions. The forecasts, projections, or operating estimates included in this report are based on current market conditions, anticipated supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.
21. Contract for appraisal is completed upon the delivery of the certificate.
22. The appraiser, by reason of this appraisal, is not required to give further consultation or testimony or attend court with reference to the property in question, unless prior arrangements have been made.
23. That, because the date of value used herein is the date stipulated in the *Standstill Agreement*, the appraiser reserves the right to consider and evaluate additional data that become available between the date of this report and the date of final negotiation, hearing or trial, if any, and to make any adjustments to the value opinions that may be required.
24. Possession of this report, or a copy thereof, does not carry with it the right of publication. Neither all nor any part of the contents of this report shall be disseminated to the public through advertising, public relations, news, sales, or other media, without the prior written consent and approval of the appraiser, and then only with proper identification and qualification and only in its entirety, especially any conclusions as to value, the identity of the appraiser or firm with which he is connected, or any reference to the Appraisal Institute or the MAI designation.

Assumptions and Limiting Conditions (continued)

DEFINITION OF HYPOTHETICAL CONDITION

Hypothetical Condition is defined as “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.”¹

This appraisal has been made under the following hypothetical condition:

According to my instructions, a copy of which can be seen in the *Addenda*, “The Land will be valued as though clean of hazardous materials. The estimated values reported in the appraisal should reflect the total values of the Land as if unaffected by environmental contaminants.” I have been informed that portions of the subject property are affected by environmental contamination. I observed the presence of what I believe to be hazardous materials in the improvements on the subject property. No environmental assessments, engineering surveys, test borings, typing and analysis of subsoils, or percolation tests were furnished to the appraiser, or made or caused to be made by the appraiser. No responsibility is assumed for such hazardous substances, or for any expertise, knowledge or engineering or environmental studies required to discover them. The intended user is urged to retain an expert in this field, if desired. The appraiser is not qualified to detect or test for such substances.

This appraisal is made under the hypothetical condition there are no conditions of the property or subsoil, including without limitation radon gas contamination, residual chemical pollutants, petroleum leakage or toxic waste, or in the construction of the improvements occupying the subject property and the uses which have been domiciled in the structures, including without limitation urea-formaldehyde foam insulation, asbestos, lead, corrosive drywall, polychlorinated biphenyl, medical waste, or others, which may or may not be present on the property, that render the property more or less valuable. The value opinions developed herein are predicated on the hypothetical condition that no such hazardous substances exist on or in the improvements or in such proximity thereto, which would affect their continued operation or demolition as indicated in *Highest and Best Use*, and would cause a loss in value. The presence of hazardous materials may have a negative influence on the value of the subject property, but the consideration of the effects of these materials on the value of the property is beyond the purpose and scope of this appraisal. The appraiser cautions against the use of this appraisal without knowledge of the intended purposes and limited scope of the appraisal. The intended user is urged to retain an expert in this field, if desired.

¹Uniform Standards of Professional Appraisal Practice (USPAP), Effective January 1, 2014, p. U-3.

DEFINITION OF EXTRAORDINARY ASSUMPTION

Extraordinary Assumption is defined as “an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser’s opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property.”²

This appraisal has been made under the following extraordinary assumption:

The 60± acre Soccer Fields portion of the subject property was formerly used as a landfill, and has since been covered by fill dirt which reportedly came from the Raleigh Convention Center project. We spoke with Ms. Cheryl Marks, Solid Waste Division, North Carolina Department of Environment & Natural Resources (NCDENR) who informed us this landfill site is identified as the 56.4 acre Old Raleigh Landfill #11 – Dorothea Dix, ID Number NONCD0000610 on NCDENR records. The site is the subject of an ongoing investigation by the Department. Ms. Marks indicated the site is basically restricted from any development that would penetrate the surface. As previously stated, this appraisal is being made under the hypothetical condition the subject property is unaffected by environmental contamination, however, regardless of environmentally hazardous issues, it is probable, though not certain, that at present, the majority of the 60 acre tract would not support normal construction because of subsoil/settlement issues. I have not been furnished any engineering studies regarding suitability for construction. This appraisal is being made under the extraordinary assumption the subsoil will support normal construction at the termination of the Soccer Fields lease in 54± years. The presence of unsuitable soil conditions may have a negative influence on the value of the subject property, but the consideration of the effects of this condition, if it exists, on the value of the property is beyond the purpose and scope of this appraisal. The appraiser cautions against the use of this appraisal without knowledge of the intended purposes and limited scope of the appraisal. The intended user is urged to retain an expert in this field, if desired.

²Uniform Standards of Professional Appraisal Practice (USPAP), Effective January 1, 2014, p. U-3.

PURPOSE OF APPRAISAL

The purpose of this appraisal is threefold, and the appraisal report is divided into sections accordingly:

- I.
 - i) Estimate the market value as of July 9, 2013 of the fee simple interest in the 237.475± acre portion of the 307.95± acre subject property, unencumbered by lease for the Soccer Fields and the Healing Place, as though unencumbered by the December 2012 lease from the State to the City of Raleigh.
 - ii) Estimate the market value as of July 9, 2013 of the leased fee interest in the 60± acre portion of the subject property leased to the City of Raleigh for Soccer Fields, not considering the December 2012 lease from the State to the City of Raleigh.
 - iii) Estimate the market value as of July 9, 2013 of the leased fee interest in the 10.475± acre portion of the subject property leased to the Healing Place of Wake County, not considering the December 2012 lease from the State to the City of Raleigh.
- II. Estimate the market value as of July 9, 2013 of the State's leased fee interest in the subject property under the terms of the December 2012 lease from the State to the City of Raleigh, fully considering the existing leases for the Soccer Fields and the Healing Place.
- III. Estimate the market value as of July 9, 2013 of the City of Raleigh's leasehold interest in the subject property under the terms of the December 2012 lease from the State to the City of Raleigh, fully considering the existing leases for the Soccer Fields and the Healing Place.

The estimates of market value are based on the hypothetical condition the subject property is unaffected by the presence of hazardous materials/environmental contamination and on the extraordinary assumption the subsoil will support normal construction at the termination of the Soccer Fields lease. The presence of hazardous materials or unsuitable soil conditions may have a negative influence on the value of the subject property, but the consideration of the effects of these materials or conditions on the value of the property is beyond the purpose and scope of this appraisal. The appraiser cautions against the use of this appraisal without knowledge of the intended purposes and limited scope of the appraisal. The intended user is urged to retain an expert in this field, if desired.

INTENDED USE OF APPRAISAL

This report is intended for use only as a basis for negotiations between the City of Raleigh and the State of North Carolina. This report is not intended for any other use. This report is intended for use only by my client, the City of Raleigh, or their assigns. Use of this report by others is not intended by the appraiser.

APPRAISAL REPORTING FORMAT

The results of my appraisal are being reported in the Appraisal Report contained herein. "An **Appraisal Report** requires the appraiser to summarize the information analyzed and the reasoning that supports the analyses, opinions, and conclusions."³ It is a written report prepared in accordance with Standards Rule 2-2(a).

DEFINITION OF MARKET VALUE

Market value is defined as "The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress. Implicit in this definition are the following assumptions:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and both are acting in what they consider to be their own best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars, or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale – in other words, an arms-length transaction."⁴

PROPERTY RIGHTS APPRAISED

The property rights under appraisal include the rights in fee simple estate, the rights in leased fee estate, and the rights in leasehold estate.

Fee Simple Estate is defined as "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."⁵

Leased Fee Estate is defined as "An ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others; the rights of lessor or the leased fee owner are specified by contract terms contained within the lease. The leased fee interest includes the right to the contract rent specified in the lease plus the reversionary right when the lease expires."⁶

Leasehold Estate is defined as "The right held by the lessee to use and occupy real estate for a stated term and under the conditions set forth in the lease."⁶

³Uniform Standards of Professional Appraisal Practice (USPAP), Effective January 1, 2014, *Advisory Opinion AO-11*, p A-22.

⁴The Appraisal of Real Estate (14th Edition), Appraisal Institute, Chicago, IL, 2013, p. 58-59.

⁵The Dictionary of Real Estate Appraisal (Fifth Edition), Appraisal Institute, Chicago, IL, 2010, p. 78.

⁶The Appraisal of Real Estate (14th Edition), Appraisal Institute, Chicago, IL, 2013, p. 72.

SCOPE OF WORK

The scope of work applied in the development of this appraisal encompasses the necessary research and analysis to complete a credible appraisal as of the effective date of the appraisal (date of value) in accordance with my client's intended use, the purpose of the assignment, the characteristics of the subject property, the stated general assumptions and limiting conditions, and any extraordinary assumptions and/or hypothetical conditions as stated herein, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) and the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

As part of this appraisal assignment, I made a number of independent investigations and analyses. I relied on data retained in our office files which are updated regularly, as well as on data obtained from the official records of Wake County, North Carolina. I contacted local realtors and appraisers, and officials of the City of Raleigh. I made an inspection of the subject property and studied the property's characteristics. I also studied the surrounding area and the subject property's market. I analyzed growth trends, competing properties, and demand for similar properties in the market.

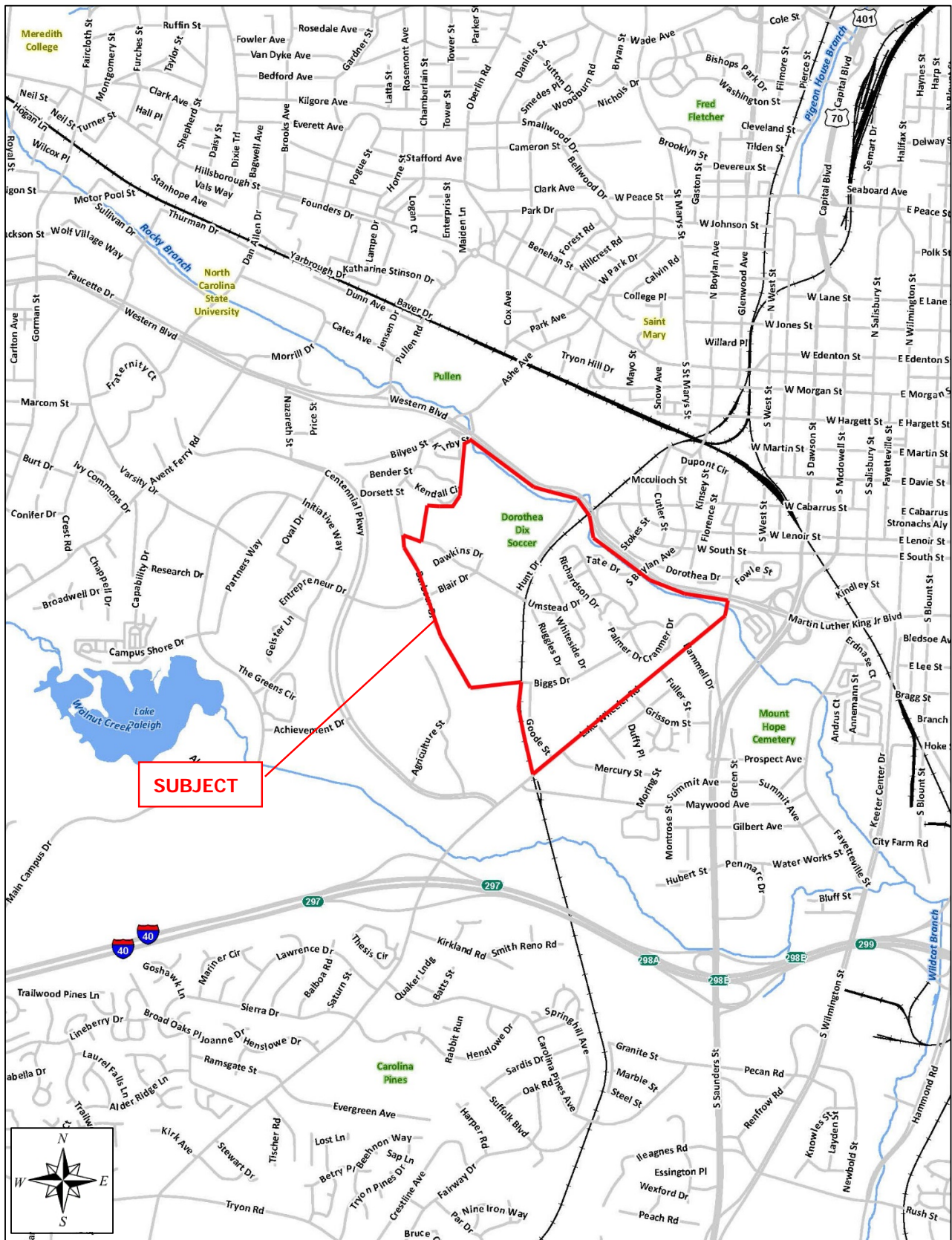
In estimating the market value of the fee simple interest in the subject property, I considered the cost, sales comparison and income approaches to value. Because the improvements do not represent the highest and best use of the subject property, or are projected to have no value at time of reversion (Healing Place), the cost approach is not applicable. Properties of this magnitude are not generally purchased for their rental income, therefore, the income approach is also not being utilized. **With knowledge and agreement of my client, and pursuant to the appraisal instructions, this appraisal is made to estimate market value under the property's highest and best use, without consideration to any restriction for recreational use.**

I did use the sales comparison approach in developing an opinion of the market value, as herein defined, of the fee simple interest in the subject property, which includes the research and analyses necessary to produce a credible assignment result. I analyzed all agreements of sale, options, or listings of the subject property of which I had knowledge, current as of the effective date of the appraisal; and past offerings and actual sales of the subject property itself, if any had occurred, especially within the three years prior to the effective date of the appraisal. I researched and analyzed market data in Wake and other North Carolina counties for the period from approximately 2004 to date of appraisal. Market data used in the appraisal was analyzed, verified by deed and/or with one of the parties to the transaction, and directly compared with the subject property. Adjustments were made to the sales to arrive at a final value indication for the subject property. I also developed a reasonable opinion of exposure time for the subject property. In estimating market rent, I researched and analyzed ground lease data, especially in North Carolina.

The estimates of market value are based on the hypothetical condition the subject property is unaffected by the presence of hazardous materials/environmental contamination and on the extraordinary assumption the subsoil will support normal construction at the termination of the Soccer Fields lease. The presence of hazardous materials or unsuitable soil conditions may have a negative influence on the value of the subject property, but the

Scope of Work (continued)

consideration of the effects of these materials or conditions on the value of the property is beyond the purpose and scope of this appraisal. The appraiser cautions against the use of this appraisal without knowledge of the intended purposes and limited scope of the appraisal. The intended user is urged to retain an expert in this field, if desired.



SITE LOCATION MAP

GENERAL APPRAISAL DETAILS

INSPECTION OF THE SUBJECT PROPERTY

I made a preliminary inspection of the subject property on December 1, 2013. I made a comprehensive inspection of the property on December 3, 2014, accompanied by Mr. Rick Stogner, PE, CEM, BEP, Facility Maintenance Director, North Carolina Department of Health and Human Services, Central Regional Maintenance, at which time I inspected the interior of the following buildings: Adams, Kirby, Anderson, Haywood, the warehouse, and McBryde. I did not make interior inspections of the other buildings on the property. I have made several additional inspections of the subject property since December 3, 2014. The photographs I took of the property during my inspections can be seen in the *Addenda*.

OWNER OF RECORD

I have not been furnished a legal opinion of title for the subject property. According to the Wake County tax records, the owner of record is:

State of North Carolina

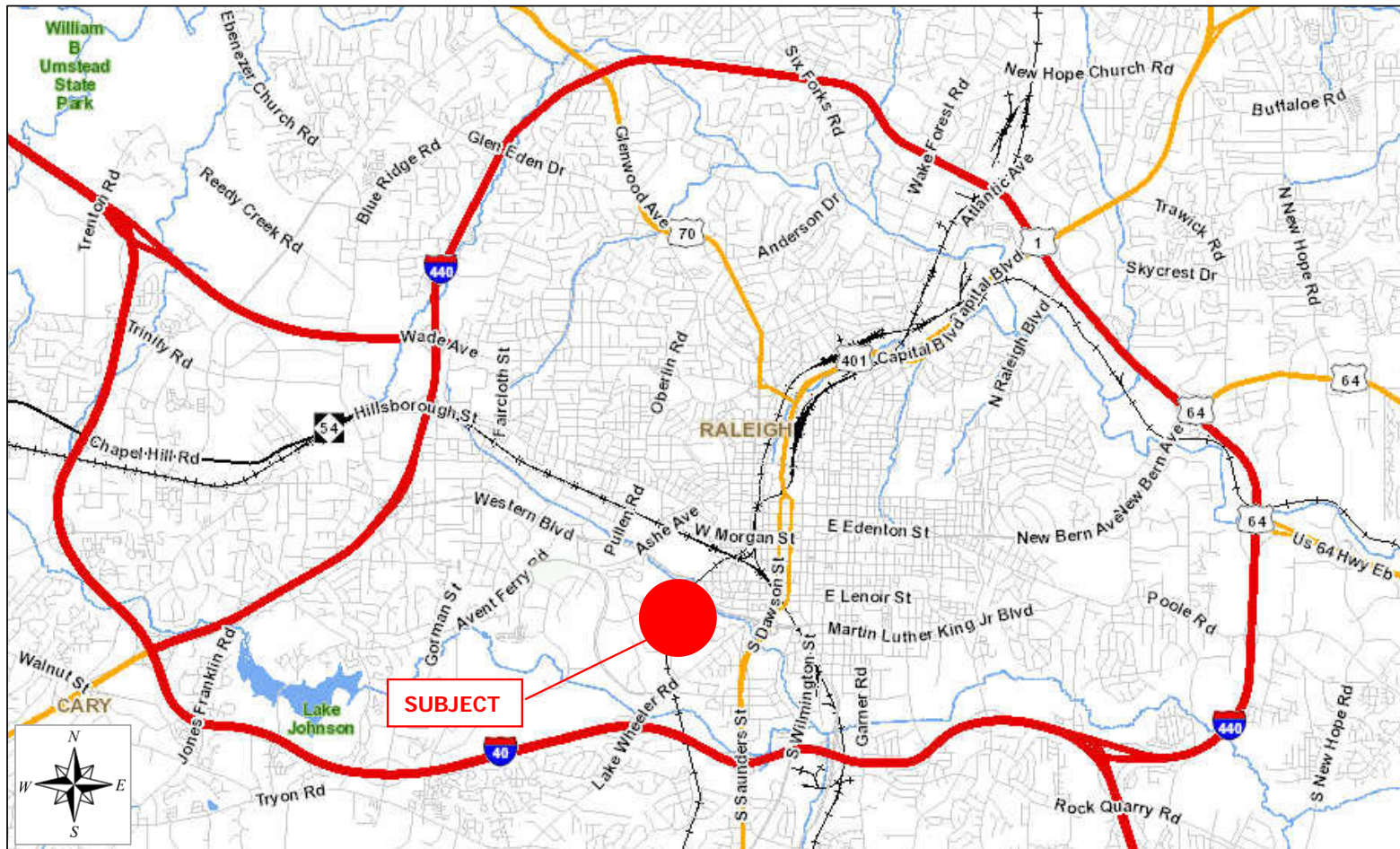
According to a furnished Lease Agreement dated December 28, 2012, all the subject property is under lease to the City of Raleigh. (A copy of this instrument can be seen in the *Addenda*.) This lease is subordinate to the following two leases: 1) According to a furnished Lease Agreement dated April 18, 1997, approximately 60± acres of the subject property is under lease to the City of Raleigh. (A copy of this instrument can be seen in the *Addenda*.) These lands are subleased by agreement to Capital Area Soccer League (CASL). 2) According to a furnished Lease Agreement dated December 20, 1999 and an Amendment to Lease Agreement dated December 27, 2012, 10.475± acres of the subject property is under lease to The Healing Place of Wake County, a North Carolina non-profit corporation. (Copies of these instruments can be seen in the *Addenda*.)

LEGAL DESCRIPTION/PROPERTY IDENTIFICATION

The subject property is identified on a furnished 12-page survey, dated June 6, 2013, revised September 11, 2013, titled "Boundary Survey Proposed Dorothea Dix Park," prepared by Taylor Wiseman & Taylor, 3500 Regency Parkway, Suite 260, Cary, North Carolina 27518. A reduced copy of this survey can be seen in the *Addenda*. The property is identified on the Wake County tax roll as a portion of Real Estate ID 0113250, all of Real Estate ID 0418075 and all of Real Estate ID 0102998.

LOCATION

The subject property is located in Wake County, within the corporate limits of the city of Raleigh, on the southwest fringe of downtown Raleigh, fronting on the south side of Western Boulevard at the southern end of South Boylan Avenue, and on the northwest side of Lake Wheeler Road. Downtown Raleigh's central core is located only approximately 3/4± mile to the



GENERAL LOCATION MAP

Location (continued)

north. Interior roadways on the subject property include Umstead Drive, Blair Drive, Hunt Drive, Goode Drive, Biggs Drive, and Barbour Drive, among others. The property is divided in two by the Norfolk Southern Railroad right-of-way. (For visual reference see Page 12 of the *Survey* in the *Addenda*, and the *General Location Map* on the facing page.)

ZONING AND OTHER RESTRICTIONS

The subject property is under the zoning jurisdiction of the City of Raleigh, and is split-zoned. The vast majority of the property west of the railroad right-of-way which runs through the tract is zoned O&I-1, Office & Institutional-1 District. A very small portion fronting along the east side of Kirby Street, in the extreme northwest corner of the ownership is zoned R-20, Residential-20, and a long narrow triangular sliver running along the east side of Barbour Drive is zoned CUD TD, Conditional Use Thoroughfare District. The vast majority of that portion of the property east of the railroad right-of-way is zoned O&I-1. A small portion of the property (Healing Center) is zoned CUD TD.

General uses permitted under the O&I-1 zoning classification include governmental indoor arenas, coliseums, theaters; single family detached dwellings; governmental art galleries; churches, synagogues and religious educational buildings; civic clubs; day care facilities; hospitals; public schools; colleges, universities, technical and vocational institutions; veterinarian hospitals; banks with or without drive-thrus; cosmetic arts and barber shops; radio and television studios; parking decks/lots; railroad stations; and utility installations, among others. Conditional uses include multi-family dwelling developments; townhouse developments; private schools; offices/agencies/studios; medical offices and clinics; office centers; limited commercial as an accessory use; and restaurants without drive-thrus, among others. Outside overlay districts, the maximum residential density under O&I-1 zoning is 25 units per acre with site plan approval.

Under O&I-1 zoning, the floor area ratio ranges from 0.75 to 1.0, and building lot coverage is 25% without conditional use approval. Buildings may be constructed to any height. Structures greater than 40 feet high shall add 1 foot to each required yard setback for each foot of height greater than 40 feet; structures closer than 50 feet to a residential lot line shall add 2 feet to each required yard setback for each foot of height greater than 40 feet. The O&I-1 zoning has minimum off-street parking and landscaping requirements depending on use.

Commonly found uses under the TD zoning include retail sales, office, hotel/motel, general manufacturing, wholesaling, warehousing and residences up to 20 dwelling units per acre as a general use and up to 40 dwelling units per acre with Planning Commission approval.

The maximum residential density under the R-20 zoning is 20 dwelling units per acre.

The subject property is designated for public parks and open space on the *2030 City of Raleigh Comprehensive Plan*. "This category applies to permanent open space intended for recreational or resource conservation uses. Included are neighborhood, community, and regional parks and greenways. Greenways include both existing greenway property as well as potential greenway corridors designated in the *Comprehensive Plan* and subject to regulation under the City code.

Zoning and Other Restrictions (continued)

Also included are publicly owned lands that are managed for watershed protection, resource conservation, hazard prevention, and the protection of important visual resources. Land with this designation is intended to remain in open space in perpetuity. Where potential greenway corridors are mapped (typically as buffers to streams identified in the City's Greenway Master Plan), greenway dedication will be subject to the City's code requirements during the subdivision and site planning process, but shall not be a part of the rezoning process unless voluntarily offered."

According to Ms. Martha Lauer, Raleigh Historic Development Commission, all or portions of the subject property are within a historic district which was accepted in November 1990, making buildings designated as "contributing" eligible for tax credits for renovation. According to Ms. Lauer, none of the buildings on the subject property are designated as Raleigh Historic Landmarks.

A 3± acre cemetery is located in the northwestern portion of the ownership. The number and exact location of gravesites within this area is unknown.

Several City of Raleigh sanitary sewer easement runs through the subject property. Several permanent drainage easements run along the south side of Western Boulevard. A City of Raleigh greenway easement is located on the subject property along the south side of Western Boulevard, basically following the meander of Rocky Branch. A utility easement runs along Lake Wheeler Road and through the subject property.

A very small portion of the subject property in and along relocated Rocky Branch, just south of Western Boulevard is within the 100-year floodplain and is also subject to riparian buffer requirements. A check of the Fish & Wildlife Service Wetlands Mapper shows that none of the subject property is designated as wetlands. (For visual reference see the *Wetlands Map* on page 29.)

UTILITIES

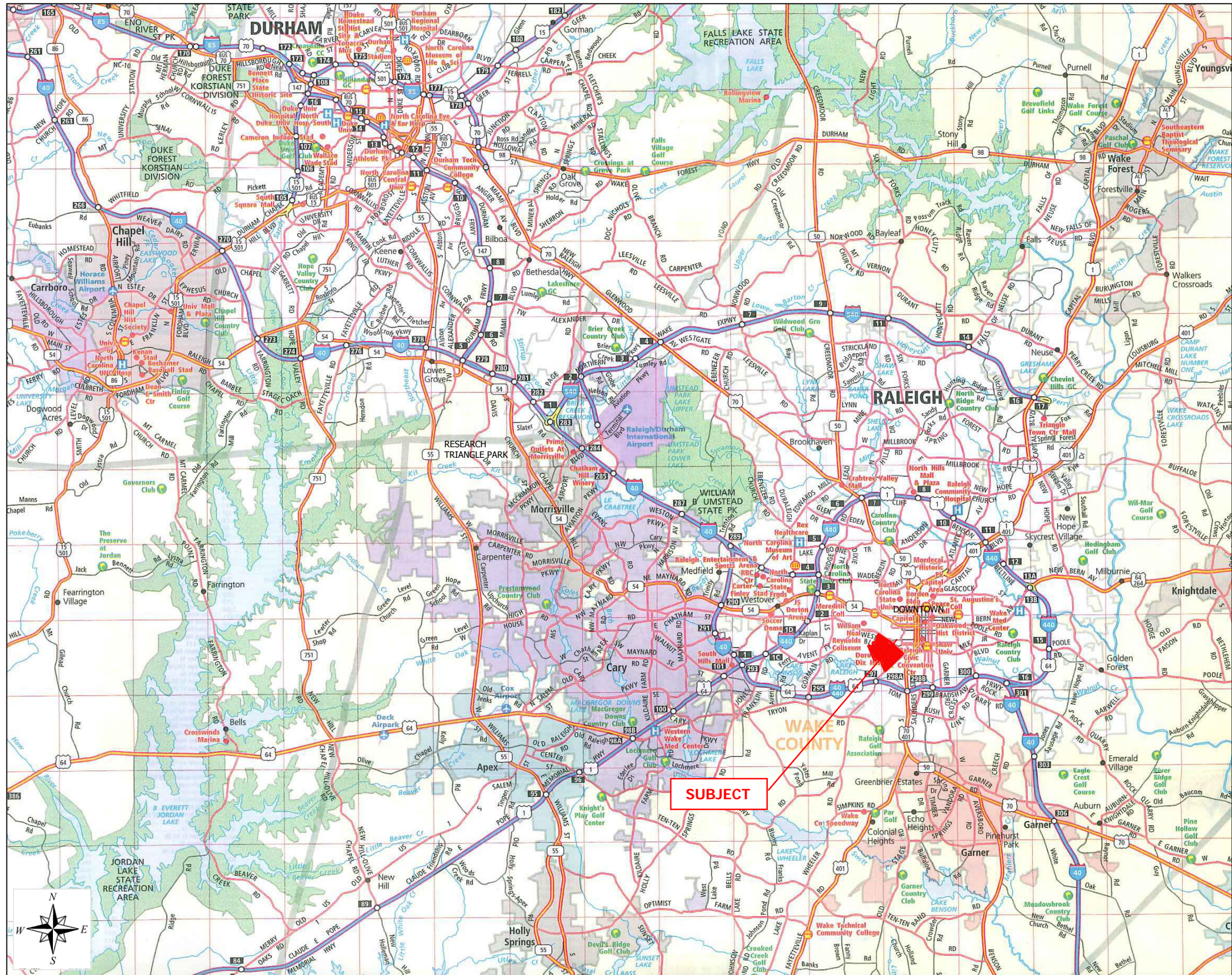
All public utilities are available to the subject property, including water and sanitary sewer service by the City of Raleigh, electricity by Duke Energy Progress, telephone service by AT&T and natural gas service by PSNC Energy.

DESCRIPTION AND ANALYSIS OF THE MARKET AREA

Regional and City Analysis

"The value of real property reflects and is affected by the interaction of four basic forces...: *social* trends, *economic* circumstances, *governmental* controls and regulations, and *environmental* conditions."⁷ I have studied the interaction of these forces and their influence on real estate, and ultimately the subject property, in my analysis of the market area.

⁷The Appraisal of Real Estate (Eleventh Edition), Appraisal Institute, Chicago, IL, 1996, p. 48.



AREA LOCATION MAP

Description and Analysis of the Market Area (continued)

The property being appraised is located approximately 3/4± mile south of the downtown Raleigh core, in the city of Raleigh, the state capital, in Wake County, in the east/central section of North Carolina, in the approximate center of what is known as the "Triangle" area of the state. The three points of the Triangle are formed by the cities of Raleigh in Wake County, Durham in Durham County, and Chapel Hill in Orange County. Each of these cities is home to a major university, North Carolina State University in Raleigh, Duke University in Durham, and The University of North Carolina in Chapel Hill. At the center of this triangle is the Research Triangle Park, one of the largest planned research parks in the United States. (For visual reference please see the *Area Location Map* on the facing page.)

Geographically, the Triangle is located approximately 150± miles west of the Atlantic Ocean, 190± miles east of the Great Smoky Mountains, 370± miles north of Atlanta, Georgia, and 250± miles south of Washington, D.C. As a major mid-Atlantic focus between Washington, D.C. and Atlanta, the Triangle has become a major center for research and development, high technology manufacturing, and distribution. Major highways in the area are I-85, which provides transportation service southwest to Atlanta and northeast to Richmond, Virginia; and I-40, which extends from Wilmington, North Carolina, through Raleigh/Durham/Chapel Hill, to the California coast. The I-40/Lake Wheeler Road interchange is located approximately 1/2± mile south of the subject. The area is also serviced by I-440, I-540, US Highways 64, 70, 1, 401, and 15/501 which cross the area in all directions, increasing the Triangle's accessibility and role as an urban center. The Triangle is serviced by both CSX and Norfolk Southern railroads, as well as Amtrak. The Raleigh-Durham International Airport (RDU) provides service by 8 major carriers and 21 regional carriers which accommodated approximately 9.2 million passengers in 2012. Approximately 222± tons of cargo were handled at the airport daily in 2012.

The Research Triangle Park (RTP), located approximately 2-1/2± miles west of the airport and approximately 15± miles northwest of downtown Raleigh and the subject property, has been a major growth catalyst in the region. It houses the research and development arms of many national and international Biotechnology and Information Technology firms, including RTI International, IBM, GlaxoSmithKline, Cisco Systems, Cree, Bayer CropScience, NetApp, BASF, Fidelity Investments, Credit-Suisse, Biogen IDEC, United Therapeutics, Viiv, Dupont and Syngenta. The park feeds off the research base provided by the surrounding universities, and in turn attracts top research faculty to these schools. RTP has grown from 4 companies employing 300± people in 204,000± square feet in 1960, to 170 companies employing 49,000± people in 22.5+ million square feet presently. The RTP itself has been strictly devoted to research and development, but it has spawned substantial ongoing demand for support facilities, including manufacturing and distribution, in the surrounding area.

The Triangle is basically comprised of the Raleigh-Durham-Cary Combined Statistical Area (CSA), the second largest CSA in North Carolina, second to Charlotte. The CSA is comprised of Wake, Durham, Orange, Chatham, Johnston, Franklin, Harnett and Person Counties. The

Description and Analysis of the Market Area (continued)

population of the CSA has increased significantly over the past two decades, and it is projected to continue this trend, as seen in the following summary:

YEAR	CSA POPULATION	% CHANGE
1990	953,547	
2000	1,314,589	+38% (10 years)
2010	1,749,525	+33% (10 years)
2011	1,795,750	+3% (1 year)
2012	1,833,525	+2% (1 year)

(Source: US Census)

Wake County is the most populous of the counties in the Triangle. Raleigh, the Wake County seat, in which the subject property is located, is the state capital and most populous city in the county. The populations of Wake County and Raleigh have increased rapidly over the past two decades as seen in these statistics:

YEAR	WAKE COUNTY POPULATION	% CHANGE	RALEIGH POPULATION	% CHANGE
1990	423,380	+40.5%	212,092	+41.2%
2000	610,284	+44.1%	286,834	+35.2%
2010	900,993	+47.6%	403,892	+40.8%
2011	929,780	+3.2% (1 year)	416,468	+3.1% (1 year)
2012	952,151	+2.4% (1 year)	423,743	+1.7% (1 year)

(Source: US Census and Wake County Economic Development)

The rate of population growth has slowed slightly from the previous decade, due in part to slower job growth, however, population growth is anticipated to continue to increase substantially with economic recovery. As seen in the following, employment in the Triangle and the city of Raleigh increased until 2009. Mirroring the statewide and nationwide economic downturn, employment then declined in 2009, remained stagnant in 2010, increase somewhat in 2011, eventually increasing more significantly in 2012.

RALEIGH-CARY MSA EMPLOYMENT

YEAR	AVG ANNUAL EMPLOYMENT	NET EMPLOYMENT CHANGE	% CHANGE
2005	762,775	25,521	+3.5%
2006	801,242	38,467	+5.0%
2007	812,377	11,135	+1.4%
2008	830,778	18,401	+2.3%
2009	805,808	(24,950)	-3.0%
2010	806,532	724	-0-
2011	819,721	13,189	+1.6%
2012	854,335	34,614	+4.2%

Description and Analysis of the Market Area (continued)

RALEIGH EMPLOYMENT

YEAR	AVG ANNUAL EMPLOYMENT	NET EMPLOYMENT CHANGE	% CHANGE
2005	181,311	16,064	+9.7%
2006	190,943	9,632	+5.3%
2007	195,138	4,195	+2.2%
2008	200,699	5,561	+2.8%
2009	193,707	(6,992)	-3.5%
2010	194,341	634	+0.3%
2011	198,158	3,817	+2.0%
2012	206,747	8,589	+4.3%

(Source: US Census)

Unemployment in the Triangle peaked in 2010 and has since gradually decreased as seen by the following North Carolina, Raleigh-Durham-Cary CSA, and Raleigh unemployment rates:

YEAR	NORTH CAROLINA	RALEIGH-DURHAM- CARY CSA	RALEIGH
2005	5.3%	4.3%	4.0%
2006	4.8%	3.8%	3.5%
2007	4.8%	3.8%	3.4%
2008	6.3%	5.0%	4.5%
2009	10.4%	8.4%	7.3%
2010	10.8%	8.9%	7.8%
2011	10.2%	8.6%	7.6%
2012	9.5%	7.8%	6.9%
June 2013	9.3%	7.6%	6.9%

(Source: Employment Security Commission of NC)

Residential building permit activity over the past several years is reflective of the economic downturn since 2007/2008. 2012 showed significant improvement, especially in the multi-family sector. The number of units permitted is still below the peak in 2006:

RALEIGH RESIDENTIAL DWELLING UNITS PERMITTED

YEAR	NUMBER OF UNITS PERMITTED	% CHANGE
2005	4,962	-20.8%
2006	6,474	+30.5%
2007	6,129	-5.3%
2008	4,919	-19.7%
2009	1,469	-70.1%
2010	1,234	-16.0%
2011	2,307	+87.0%
2012	5,010	+117.2%

(Source: US Census and City of Raleigh Planning and Inspections Departments)

Description and Analysis of the Market Area (continued)

The square footage of non-residential building permits in Raleigh in 2012 was up substantially over 2011, while permit value was down slightly. The square footage of non-residential building permits in 2012, however, was down approximately 66% since peaking in 2008; permit value was down approximately 75.9% since the 2008 peak:

RALEIGH NON-RESIDENTIAL BUILDING PERMITS

YEAR	NUMBER OF PERMITS	SQUARE FEET	% CHANGE	PERMIT VALUE	% CHANGE
2005	317	4,791,000 sf	+48.5%	\$357,000,000	+50.0%
2006	336	6,109,000 sf	+27.5%	\$491,000,000	+37.5%
2007	378	5,494,000 sf	-10.1%	\$453,000,000	-7.7%
2008	310	6,385,000 sf	+16.2%	\$661,000,000	+45.9%
2009	172	3,086,000 sf	-51.7%	\$242,000,000	-63.4%
2010	144	2,586,000 sf	-16.2%	\$403,000,000	+66.5%
2011	183	1,138,000 sf	-56.0%	\$165,000,000	-59.1%
2012	176	2,171,000 sf	+90.8%	\$159,563,798	-3.3%

(Source: City of Raleigh Planning and Inspections Department)

According to the *2030 City of Raleigh Comprehensive Plan*, land in downtown Raleigh has the highest levels of density permitted within the city, a designation which should have a continuing positive effect on the desirability of the subject property for development.

Retail sales in Wake County slowed significantly in 2007/08, increasing by only 0.7% over the year before. For 2008/09 and 2009/10, sales declined substantially, in line with the severe economic downturn. Since, retail sales have increased steadily:

WAKE COUNTY RETAIL SALES

YEAR	RETAIL SALES	% CHANGE
2004/05	\$14,611,287,767	
2005/06	\$10,323,329,461	-29.3%
2006/07	\$11,262,239,398	+9.1%
2007/08	\$11,339,906,108	+0.7%
2008/09	\$10,378,048,804	-8.5%
2009/10	\$9,949,833,702	-4.1%
2010/11	\$10,208,890,575	+2.6%
2011/12	\$10,850,823,393	+6.3%
2012/13	\$11,411,806,624	+5.2%

(Source: North Carolina Department of Revenue)

The social, economic, governmental and physical forces I have discussed have all contributed to make the Triangle a fast growing area of the country over the past two decades, however, the economic slowdown since 2007/08, both nationally and locally, stagnated development and helped to spawn an overbuilt commercial, office and industrial/flex real estate market.

Description and Analysis of the Market Area (continued)

Vacancy rates for all classes of office space in the Triangle closed 2012 at 16.23%; for Class A office space at 12.61%; for flex space at 16.54%; for warehouse space at 19.42%; while retail vacancy was at 7.87%. All sectors, however, had reduced vacancy over 2011. Second quarter 2013 vacancy rates were 16.70% for all classes of office; 12.13% for Class A office space; 16.16% for flex; 17.43% for warehouse; and 7.92% for retail (Source: *Space – Triangle Business Journal*). New commercial construction declined during 2009-2011, helping to reduce the oversupply. Absorption for the 12 month period from second quarter 2013 to second quarter 2013 was positive for all market segments except flex space, which remained flat.

The subject property lies between the Downtown and West Raleigh submarkets. Office vacancy rates in these submarkets are lower than the Triangle overall. Vacancy rates for all classes of office space in the Downtown Raleigh submarket closed 2012 at 10.10%; for Class A office space at 6.13%; for flex space at 12.74%; for warehouse space at 42.34%; while retail vacancy was at 15.49%. Vacancy rates for all classes of office space in the West Raleigh submarket closed 2012 at 11.70%; for Class A office space at 12.63%; for flex space at 13.48%; for warehouse space at 30.41%; while retail vacancy was at 4.21%.

It is anticipated that with continued economic recovery coupled with judicious lending policies, vacancy rates in the commercial sectors of the Triangle real estate market will continue to decline and the commercial real estate market will continue to improve.

The Triangle multi-family residential real estate market has been strong. The overall multi-family vacancy rate was reportedly 5.5% as of March 2013, the lowest since 1998. On the other hand, 7,303 new units were under construction at the end of the first quarter 2013, a construction level not seen since 2001. (Source: *NAI Multi-Family Market Report Q1 2013*.) With so many new units coming on line, occupancy levels will be under pressure, as will rental rates, and rent growth is projected to remain flat until new construction moderates.

The Triangle area experienced a rebound in home sales in 2012, with approximately 20.8% more home sales than in 2011. The Triangle Multiple Listing Service also reported that median and average prices paid for homes have steadily increased, with the average home sale price up 1.5% in 2012 (Source: Triangle Multiple Listing Service).

It is probable the Triangle region will continue its substantial population growth rate and that recent employment growth will continue to steadily improve with gradual recovery in the local and national economies. The Research Triangle Park along with three major universities, an international airport, and a state seat of government continue to be major stimuli for growth, which in turn, creates demand for goods and services. The subject property is well located in the Triangle region, only 3/4± mile from downtown Raleigh's main business district and with easy access to other areas of the Triangle via I-40, and should benefit directly from the generally positive future outlook for the region as it recovers from the economic "collapse" of 2008. The diversity of the local economy should help reduce the risk of real estate investment.

Description and Analysis of the Market Area (continued)

Neighborhood Analysis

The subject property is located in the southwestern fringe of downtown Raleigh's central business district, approximately 3/4± mile south of the main downtown core. The downtown core is easily accessible from the subject via Western Boulevard/Lake Wheeler Road. The City has been actively encouraging high intensity development, including residential, with an emphasis on high density mixed use development. Developments in the downtown area which have occurred in the past several years, are under construction, or are in planning follow:

Completed Projects

- 1) **Solas.** 419 Glenwood Avenue. \$3 million. Three-story, 16,500± square foot restaurant, lounge, nightclub. Completed in 2008.
- 2) **222 Glenwood.** 222 Glenwood Avenue. \$45 million. Seven-story, mixed use. 117 residential condos, 22,000± square feet restaurant and retail space, 360± space parking deck. Completed in 2008.
- 3) **West.** 400 West North Street. \$70 million. 17-story mixed use. 170 residential condos, 17,200± square feet commercial space, parking deck. Completed in 2008.
- 4) **Raleigh Marriott City Center.** 500 Fayetteville Street. \$70 million. 316,476± square feet, including 17 floors, 390 rooms, 10 suites, 17 meeting rooms. Completed 2008.
- 5) **RBC Plaza.** 301 Fayetteville Street. \$135 million. 33-story, mixed-use commercial and residential project. 793,000± square feet of total space, including 11 floors of Class A office space (276,000± sq. ft.), 11 floors of residential condominiums (139 units ranging from 800±-2,000± square feet), 17,000± square feet of street-level retail space, and nine floors of in-building parking. Completed in 2008.
- 6) **Raleigh Convention Center.** 500 South Salisbury Street. \$235,000,000, 500,000± square feet including three levels. Completed 2008.
- 7) **The Pavilions at City Plaza.** Fayetteville Street. Public (\$14.8 million)/private (\$1.3 million) venture. Public space and 3,600± square feet retail. Completed 2009.
- 8) **Bloomsbury Estates (Phase 1).** West Hargett and South Boylan Streets. \$22 million. Seven-story building with 55 residential condo units. Completed 2009.
- 9) **712 Tucker.** 712 Tucker. \$28.5 million. 179 apartment units. Completed 2009.
- 10) **Hue.** 300 West Hargett Street. \$46.8 million. Seven-story mixed use residential project. 208 apartment units, 8,000 square feet retail space, 300± space parking deck. Completed 2009.
- 11) **Raleigh Amphitheater & Festival Site.** 500 South McDowell Street. \$2.5 million. 5,500-seat, open air amphitheater. Completed 2010.

Description and Analysis of the Market Area (continued)

- 12) **Contemporary Art Museum.** 409 West Martin Street. \$10 million. Completed 2011.
- 13) **Green Square.** West Jones and North McDowell Street. \$115 million. 325,000 square feet. Four-story Nature Research Center for the NC Museum of Natural Sciences, 150,000± square feet office space for the Department of Environment and Natural Resources, nine-level parking deck. 2011/12.
- 14) **Hampton Inn & Suites – Glenwood South.** 600 South Glenwood Street. \$20 million. 126± rooms, 970± square feet retail. Completed 2012.
- 15) **Wake County Criminal Justice Center.** West Martin and McDowell Streets. \$187.7 million. 485,000± square feet. Construction began 2010. Completed 2013.
- 16) **State Employees Credit Union.** North Salisbury Street. \$40 million. 12 story building, total 250,000± square feet, 140,000± square feet office space. Completed 2013.
- 17) **St. Mary's Square.** 600 St. Mary's Street. \$22 million. 195± apartment unit redevelopment project. Completed 2013.

Projects Under Construction

- 18) **Seaboard Marketplace.** 111 Seaboard Avenue. \$15 million. 15,000± sf of retail space.
- 19) **Blount Street Commons.** 540 North Blount Street. \$80 million (multi-phased). Redevelopment of 20+ acres. Plans incorporate the preservation of 25 historic homes, constructing up to 500 residential condos, townhomes, and single-family residences, and 110,000± square feet of commercial space.
- 20) **425 North Boylan.** 425 North Boylan Avenue. \$35 million. Eight-story building with 250 residential units, commercial space along Tucker Street, 328-space parking deck.

Projects Planned

- 21) **West Apartments.** 413 North Harrington Street. \$22 million. Seven-story building with 153 residential units and 192-space parking deck.
- 22) **The Edison (SkyHouse).** 301 South Wilmington Street. \$30.6 million. First phase of Edison. Six-story mixed use. 320 apartment units, 18,000± square feet retail.
- 23) **L Building.** West Davie and South McDowell Streets. \$26 million. Public/private. 989-space parking deck complete (Wake County). 110,000± square foot mixed use building to wrap deck (Empire Properties).
- 24) **Charter Square.** 501 Fayetteville Street. \$130 million. Two towers. Building 1 will consist of 405,000± square feet of office, retail and residential space on 21 floors. Building 2 will consist of 38,000± square feet of retail space with up to 200 residential units above the retail. The buildings will sit atop an already completed 622 space underground city operated parking deck.

Description and Analysis of the Market Area (continued)

The 2012 vacancy rate of 10.10% for office space in the Downtown Raleigh submarket and 11.70% in the West Raleigh submarket is lower than in the Triangle overall. Vacancy in retail space in the downtown submarket was reportedly 15.49%, significantly higher than in the Triangle overall, though it was 4.21% in the West Raleigh submarket, lower than the Triangle overall. Multi-family residential development downtown is being encouraged by the City of Raleigh and the Downtown Raleigh Alliance (DRA). As of March 2013, over 1,600 apartment rental units were in various stages of planning or under construction.

After the economic crisis of late 2008, new private development downtown slowed substantially, however, in July 2012, Citrix Systems announced that it would locate its Raleigh headquarters in the old Dillon Supply warehouse on a 2.3+ acre block at the northwest corner of Hargett and West Streets. More recently, construction on this project has begun. Besides renovation of an existing heavy industrial warehouse building, the project includes construction of an adjacent six-story parking garage. The state is reportedly giving a \$12.5 million incentive package to the company for the move. This announcement along with actual construction has had a major positive impact on the surrounding neighborhood and is anticipated to be a catalyst for growth downtown.

Adjoining the subject property to the west is the 1,200+ acre Centennial Campus of North Carolina State University (NCSU), a university research campus which houses more than 60 companies, government agencies and non-profits, along with 75 NCSU research and academic units, including the colleges of Engineering, Textiles, Veterinary Medicine and the Graduate School. More than 2,300 corporate and government employees work alongside 1,350-plus faculty and staff, in addition to 3,400 students during the academic year. Major companies located at Centennial Campus include Red Hat, ABB, the U.S. Department of Agriculture, Talecris Biotherapeutics, NOAA National Weather Service and GlaxoSmithKline. The original main campus of the university is located only approximately 1/2± mile to the northwest of the subject property.

Directly to the north of the subject, across Western Boulevard, is Pullen Park, the Governor Morehead School for the Blind, the North Carolina Department of Corrections Central Prison, and the Boylan Heights residential area. North of the Boylan Heights area, approximately 3/4± mile north of the subject, is the proposed Raleigh Union Station high speed rail station. Adjoining the subject to the southwest is the North Carolina State Farmer's Market.

It is unusual to find a property the size of the subject having such an urban location, with properties including the state capitol and legislative buildings, the county courthouse, the city municipal facilities, the downtown core, the largest university in the state (NCSU), all within about 1± mile; as well as access to the interstate highway system within about 1/2± mile, which, in turn provides easy access to the Raleigh-Durham International Airport, the Research Triangle Park and other major centers of employment throughout the Triangle. The property's unique location affords it many developmental opportunities.

Dix Property



PARCEL IDENTIFICATION MAP

HISTORY OF THE SUBJECT PROPERTY

I have not been provided a legal opinion of title to the subject property. The property has been owned by the State of North Carolina for many years, the original portion since the mid-1850s.

PARCEL IDENTIFICATION

As previously stated, The purpose of this appraisal is threefold, and the appraisal report is divided into **sections** accordingly:

- I.
 - i) Estimate the market value of the fee simple interest in the 237.475± acre portion of the 307.95± acre subject property, unencumbered by lease for the Soccer Fields and the Healing Place, as though unencumbered by the December 2012 lease from the State to the City of Raleigh.
 - ii) Estimate the market value of the leased fee interest in the 60± acre portion of the subject property leased to the City of Raleigh for Soccer Fields, not considering the December 2012 lease from the State to the City of Raleigh.
 - iii) Estimate the market value of the leased fee interest in the 10.475± acre portion of the subject property leased to the Healing Place of Wake County, not considering the December 2012 lease from the State to the City of Raleigh
- II. Estimate the market value of the State's leased fee interest in the subject property under the terms of the December 2012 lease from the State to the City of Raleigh, fully considering the existing leases for the Soccer Fields and the Healing Place.
- III. Estimate the market value of the City of Raleigh's leasehold interest in the subject property under the terms of the December 2012 lease from the State to the City of Raleigh, fully considering the existing leases for the Soccer Fields and the Healing Place.

For appraisal purposes I have labeled the various parts of the subject property as follows:

Parcel A: The 237.475± acre portion of the subject property unencumbered by lease for the Soccer Fields and the Healing Place (307.95± acres total – 60± acres Soccer Fields – 10.475± acres Healing Place = 237.475± acres)

Parcel B: The 60± acre Soccer Fields tract

Parcel C: The 10.475± acre Healing Place tract

For visual reference see the *Parcel Identification Map* on the facing page.

SECTION I(i)

The purpose of this section of the appraisal is to estimate the market value of the fee simple interest in Parcel A, the 237.475± acre portion of the subject property unencumbered by lease for the Soccer Fields and the Healing Place, as though unencumbered by the December 2012 lease from the State to the City of Raleigh.

PROPERTY DESCRIPTION – PARCEL A

Site Description

Parcel A consists of an irregularly shaped tract of land which contains (307.95± acres total - 60± acres Soccer Fields – 10.475± acres Healing Place) 237.475± acres based on the furnished survey. (For visual reference see the *Parcel Identification Map* on page 26.) For many years, the majority of the site was used as the Dorothea Dix Hospital campus, on what is known as Dix Hill. The hospital opened in 1856, and the last patient was reportedly transferred out of the facility in 2012. Most of the former hospital campus is now being used as the North Carolina Department of Health and Human Services (DHHS) campus.

Parcel A is bounded on the north by Western Boulevard, a four-lane median divided thoroughfare, and has approximately 0.6± mile of frontage on this roadway, however, most of the frontage is separated from Western Boulevard by relocated Rocky Branch. There are two access points to Parcel A from Western Boulevard: South Boylan Avenue and Hunt Drive. The property is bounded on the east by Lake Wheeler Road, on which it has approximately 1± mile of frontage. Access from Lake Wheeler Road is provided by Goode Drive at the property's southern end and Umstead Drive at its northern end. Parcel A is bounded on the west and southwest sides by Barbour Drive and Biggs Drive, both private roadways. Interior access is provided by numerous private streets, including Umstead Drive, Biggs Drive, Barbour Drive, Blair Drive, Ruggles Drive, Whiteside Drive, Palmer Drive, Richardson Drive, Cranmer Drive, Picot Drive, Smithwick Drive, Tate Drive, Hunt Drive, South Boylan, Dawkins Drive, Warehouse Drive, Pedneaus Way, Stancil Drive and Goode Street. Blair Drive provides direct access to Centennial Parkway, which in turn, provides access through the NCSU Centennial Campus. (For visual reference see the *Parcel Identification Map* on page 26.)

Portions of Parcel A have views of downtown Raleigh's skyline. The parcel is divided in two by the Norfolk Southern Railroad right-of-way, the majority of which is 60± feet wide. Based on survey, (143.599± acres total west - 60± acre Soccer Fields) 83.599± acres of Parcel A are located west of the railroad right-of-way and (164.351± acres total east – 10.475± acre Healing Place) 153.876± acres of Parcel A are located east of the right-of-way. Access across the railroad right-of-way is provided at two points, Umstead Drive (bridge) and Biggs Drive (at grade).

The majority of Parcel A consists of moderately rolling terrain with some areas of more abrupt slopes along relocated Rocky Branch. A check of the *USGS Raleigh West Quadrangle* map indicates elevations on the parcel range from a low of 250± feet in the northeast corner of the property along Rocky Branch, to a high of approximately 390± feet in the western portion of the ownership, along Barbour Drive. The tract appears to be adequately drained and developable. The majority of Parcel A is cleared, and much of the property is shaded by large oaks and pecan trees. A wooded area is located along the northern property line, bordering Rocky Branch.



U.S. Fish and Wildlife Service National Wetlands Inventory

Wetlands Map - Parcel A

Feb 12, 2014



Wetlands

- Freshwater Emergent
- Freshwater Forested/Shrub
- Estuarine and Marine Deepwater
- Estuarine and Marine
- Freshwater Pond
- Lake
- Riverine
- Other

User Remarks:

This map is for general reference only. The US Fish and Wildlife Service is not responsible for the accuracy or currentness of the base data shown on this map. All wetlands related data should be used in accordance with the layer metadata found on the Wetlands Mapper web site.

Property Description – Parcel A (continued)

Major soil types on Parcel A are delineated on the *Soils Map* which can be seen as part of the *Soil Report* in the *Addenda*. The majority of these soil types are well drained and developable.

Located in the northwestern portion of the property, abutting the soccer field site to the south is a rectangular 3± acre cemetery. My inspection shows this cemetery contains numerous gravesites. The number and exact location of gravesites is unknown. The cemetery lacks utility for developmental purposes, but does not represent a hindrance to development of the rest of Parcel A.

Several City of Raleigh sanitary sewer easements run through Parcel A. Several permanent drainage easements run along the south side of Western Boulevard. A City of Raleigh greenway easement is located on the subject property along the south side of Western Boulevard, basically following the meander of Rocky Branch. A utility easement runs along Lake Wheeler Road and through Parcel A.

A very small portion of Parcel A, in and along relocated Rocky Branch, just south of Western Boulevard, is within the 100-year floodplain and is also subject to riparian buffer requirements. A check of the Fish & Wildlife Service Wetlands Mapper shows that none of the subject property is designated as wetlands. (For visual reference see the *Wetlands Map* on the facing page.)

Description of the Improvements

Based on my on-site inspections, recent aerial photographs and building footprint maps, as well as on a furnished building inventory, Parcel A is improved with over 70 structures. (For reference, see the *Existing Building Evaluation Dix Property* and the *Dorothea Dix Facilities & Context List*, prepared by OBrienAtkins in the *Addenda*. Photographs of the major structures can also be seen in the *Addenda*.) The buildings contain a reported total building area of approximately 1.2± million square feet, and range in size from less than 100± square feet to 231,118± square feet (McBryde North, South East-A/B). I made an exterior inspection of all the buildings. I made an interior inspection of the following major buildings: Adams, Kirby, Anderson, Haywood, the warehouse, and McBryde, accompanied by Mr. Rick Stogner, PE, CEM, BEP, Facility Maintenance Director, North Carolina Department of Health and Human Services, Central Regional Maintenance.

The structures were reportedly built from the mid-1850s to approximately 1975. It appears most of the structures were built from the early teens to the late 1930s. The buildings were built for hospital use, office space, dormitories, staff housing, chapel, food services, and utility buildings such as a power plant and boiler shop. On date of inspection, a number of the buildings appeared vacant and not utilized, especially the residential structures. My opinion of the physical condition of the buildings ranges from very good to poor. During my inspection, major renovations were being made to the interior of the McBryde building. Mr. Stogner informed me that an effort was underway to consolidate DHHS offices to the Dix campus from other scattered locations.

Property Description – Parcel A (continued)

As discussed in the highest and best use analysis, the existing improvements on Parcel A, although formidable, are not the highest and best use of the property as improved, and are not the highest and best use of the land as though vacant due to several factors, including the high value of the land, the low density of the improvements scattered across the ownership (land to building ratio), the high cost of renovation, and the significant expense of maintenance and holding costs, among others. In my opinion, the existing improvements on Parcel A add no contributory market value (see *Definition of Market Value* on page 9) to the property over and above the underlying land value, therefore, it is not necessary to include a detailed description of each of the structures on the property to produce a credible appraisal.

HIGHEST AND BEST USE – PARCEL A

As stated in the instructions furnished the appraiser, "Highest and best use, as defined, is that use which, at the time of appraisal is the most profitable and likely use to which a property can be put. It may also be defined as that available use and program of future utilization which produces the highest present land value." Highest and best use is also defined as:

"The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity."⁸

As Vacant

The majority of Parcel A is zoned O&I-1, Office & Institutional-1 District. This is a classification that permits a mixture of uses. General uses include governmental indoor arenas, coliseums, theaters; single family detached dwellings; governmental art galleries; churches, synagogues and religious educational buildings; civic clubs; day care facilities; hospitals; public schools; colleges, universities, technical and vocational institutions; veterinarian hospitals; banks with or without drive-thrus; cosmetic arts and barber shops; radio and television studios; parking decks/lots; railroad stations; and utility installations, among others. Conditional uses include multi-family dwelling developments; townhouse developments; private schools; offices/agencies/studios; medical offices and clinics; office centers; and restaurants without drive-thrus, among others. Outside overlay districts, the maximum residential density under O&I-1 zoning is 25 units per acre.

Considering the size of Parcel A, it is probable the tract could be rezoned and master planned. All utilities are available to the property, and the vast majority of the tract appears adequately drained and developable with normal land preparation. One of the most unique features of the property is its large land area only 3/4± mile from the downtown Raleigh core and adjacent to a major university, a very short commute to two major centers of employment. The property has significant road frontage on Western Boulevard and Lake Wheeler Road, and easy access to Centennial Parkway. Access to other areas is convenient via the I-40/Lake Wheeler Road interchange approximately 1/2± mile south of the subject.

⁸The Dictionary of Real Estate Appraisal, Fifth Edition, edited by the Appraisal Institute, 550 West Van Buren, Chicago, Illinois, 2010, page 93.

Highest and Best Use – Parcel A (continued)

As discussed in the *Description and Analysis of the Market Area* section of this report, it is probable the Triangle region will continue its substantial population growth rate and that recent employment growth will continue to steadily improve with gradual recovery in the local and national economies. The Research Triangle Park along with three major universities, an international airport, and a state seat of government continue to be major stimuli for growth, which in turn, creates demand for goods and services. The subject property is well located in the Triangle region, and should benefit directly from the generally positive future outlook for the region as it recovers from the economic "collapse" of 2008. The diversity of the local economy should help reduce the risk of real estate investment.

It is unusual to find a property the size of the subject having such an urban location, with properties including the state capitol and legislative buildings, the county courthouse, the city municipal facilities, the downtown core, the largest university in the state (NCSU), all within about 1± mile; as well as having nearby access to the interstate highway system which, in turn, provides easy access to the Raleigh-Durham International Airport, the Research Triangle Park and other major centers of employment throughout the Triangle. The property's unique location affords it many developmental opportunities.

Considering the land size of Parcel A, its unique location, road frontages, surrounding and nearby land uses, and other factors, it is my opinion the highest and best use of Parcel A as though vacant would be for some type of mixed use development, including multi-family and single family residential, office, school, and service retail. Development of Parcel A would probably occur in phases over a number of years as market demand would support.

As Improved

The improvements on Parcel A consist of an older State of North Carolina mental health facility, the Dorothea Dix State Hospital campus. Improvements on the property consist of over 70 structures ranging in age from 38± years to well over 100 years, with the majority having been constructed during the teens to the 1930s. More recently, some of the buildings have been converted into office space for the North Carolina Department of Health and Human Services. The buildings are spread out across Parcel A and are not clustered, typical of a state mental health facility with a resident population, though the facility no longer has any patient residents. The existing improvements spread across the property will no longer support the underlying land value. The existing building to land ratio is not economically reasonable under a market value premise. The purpose of this appraisal does not consider historic or preservation "value," if any, but is rather to estimate market value.

Renovating and converting the more substantial structures on the property to office or other use would be very costly and, in the end, would still not result in structures which would represent the highest and best use of the underlying land, and would not be economically feasible. If renovation were done, it would not occur all at once, but rather as the market demanded, and significant holding costs and maintenance expense would be incurred in addition to renovation/conversion cost.

Highest and Best Use – Parcel A (continued)

In summary, the improvements do not represent the highest and best use of the land as though vacant, due to several factors, including the high value of the land, the low density of the improvements scattered across the property (land to building ratio), the high cost of renovation, and the significant expense of maintenance and holding costs. In my opinion, the existing improvements on Parcel A add no contributory market value (see *Definition of Market Value* on page 9) to the property over and above the underlying land value, and are actually a detriment to the property because of the cost of demolition.

SECTION I(i) VALUATION – PARCEL A – FEE SIMPLE

SALES COMPARISON APPROACH TO VALUE

The sales comparison approach is "the process of deriving a value indication for the subject property by comparing similar properties that have recently sold with the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. To apply the sales comparison approach, appraisers follow a systematic procedure:

1. Research the competitive market for information on properties that are similar to the subject property and that have recently sold, are listed for sale, or are under contract. Consider the characteristics of the properties such as property type, date of sale, size, physical condition, location, and land use constraints...
2. Verify the information by confirming that the data obtained is factually accurate and that the transactions reflect arm's-length market considerations. Verification should elicit additional information about the property and the market so that comparisons are credible.
3. Select the most relevant units of comparison in the market (e.g., price per acre, price per square foot, price per front foot) and develop a comparative analysis for each unit...
4. Look for differences between the comparable sale properties and the subject property using all appropriate elements of comparison. Then adjust the price of each sale property, reflecting how it differs, to equate it to the subject property or eliminate that property as a comparable. This step typically involves using the most similar sale properties and then adjusting for any remaining differences...
5. Reconcile the various value indications produced from the analysis of comparables to a value bracket and then to a single value indication."⁹

In order to estimate the market value of Parcel A, the 237.475± acre portion of the subject property unencumbered by lease for the Soccer Fields and the Healing Place, as though unencumbered by the December 2012 lease from the State to the City of Raleigh, I made an in-depth search for the recent sale of large acreage tracts in the Triangle area which had a highest and best use for mixed use development. As expected, in light of poor market conditions in the past several years, this search revealed very limited data. For this reason I expanded my search period to include older transactions.

Following is a photograph, description and analysis of those sales considered most pertinent to the valuation of Parcel A.

⁹The Appraisal of Real Estate (Thirteenth Edition), edited by the Appraisal Institute, 550 West Van Buren, Chicago, Illinois 60607, 2008, page 297 and 301-302.

MIXED USE LAND SALE MU-1



Date:	June 30, 2006
Recording Information:	Deed Book 12039, Pages 109 and 114 (DB 12133, Page 1301), Wake County registry
Revenue Stamps:	Total: \$50,000.00
Grantor:	Cheviot Hills Golf Course, Inc., a North Carolina corporation and Felix H. Allen, III, Trustee of the Trust Created Under Article 7 of the Will of William P. Edwards
Grantee:	Crossroads Holdings, LLC, a North Carolina limited liability company and MLC Automotive, LLC, a North Carolina limited liability company
Tax Reference:	ID 0013024 and 0345861
Township:	Neuse
Location:	Sale property is located on the northwest side of Capital Boulevard, between Durant Road and Gresham Lake Road, northeast of I-540, Raleigh, Wake County, North Carolina.
Zoning:	IND-1, Raleigh
Utilities:	All available
Sale Price:	Total: \$25,000,000
Financing:	Cash to the sellers
Land Size:	Total: 151.706± acres
Unit Price:	\$164,792 per acre, or \$3.78 per square foot, overall

Remarks: Purchased for a large automotive sales center to be co-developed by the grantees. Good Capital Boulevard (US Highway 1) exposure, limited direct access to this roadway. Possible mixed use potential on rear lands.

MIXED USE LAND SALE MU-2



Date:	December 29, 2006
Recording Information:	Deed Book 12336, Pages 2196 and 2201, Wake County registry
Revenue Stamps:	\$45,000
Grantor:	Andrx Pharmaceuticals (NC), Inc., a Florida corporation
Grantee:	Morrisville Partners, LLC, a Delaware limited liability company
Tax Reference:	ID 0105074
Township:	Cedar Fork
Location:	Sale property is located on the southwest side of Chapel Hill Road (NC 54) at Cary Parkway, Morrisville, Wake County, North Carolina.
Zoning:	MU, Morrisville
Utilities:	All available
Sale Price:	\$22,500,000
Estimated Demolition Cost:	\$3,100,000
Sale Price Adjusted for Demolition:	\$25,600,000
Financing:	Cash to the sellers. New financing with Morrisville Funding Co.
Land Size:	95.86671± acres
Unit Price:	\$267,037 per acre, or \$6.13 per square foot, overall

Remarks: Purchased for mixed use development including retail, apartment, residential and office, known as Park West Village. A 475,500± square foot pharmaceutical plant on the site at time of sale has since been razed.

MIXED USE LAND SALE MU-3



Date: January 23 and 30, 2007 and June 21, 2007
Recording Information: Deed Book 12386, Pages 2378 and 2394 and Deed Book 12636, Page 2325, Wake County registry
Revenue Stamps: Total: \$78,143
Grantor: Doris B. Bradsher (39.693% interest), Robert L. Bradsher (1% interest) and wife, Vera W. Bradsher, Susan B. Liles (20.1023% interest) and husband, Lowell F. Liles, Doris Ann B. Hodges (20.1023% interest) and husband, Milton R. Hodges, Louisburg Road Limited Partnership (19.1024% interest) AND Robert L. Bradsher and wife, Vera W. Bradsher AND Robuck Properties, LLC, a North Carolina limited liability company, The John F. Philips Family Limited Partnership I, a North Carolina limited partnership and Clifton L. Benson, Jr., Family Limited Partnership I, a North Carolina limited partnership
Grantee: 5401 North, LLC, a Delaware limited liability company
Tax Reference: ID Numbers 0351249, 0007591, 0296693, 0149024, 0296883 and 0297380
Township: Neuse
Location: Sale property is located at the northeast quadrant of US 401 and I-540, Raleigh, Wake County, North Carolina.
Zoning: CUD-TD, CUD-R-6, R-4 and CM; SHOD-1 Overlay, Raleigh
Utilities: All available
Sale Price: Total: \$39,071,500
Financing: Cash to the sellers. New financing with Wachovia.
Land Size: Total: 408.29± acres
Unit Price: \$95,695 per acre, or \$2.20 per square foot, overall

Remarks: Purchased for mixed use development. Estimated 33.5± acres in greenway and 98± acres in SHOD-1 Overlay.

MIXED USE LAND SALE MU-4



Date: August 24, 2007
Recording Information: Deed Book 12723, Pages 2644 and 2669, Wake County registry
Revenue Stamps: Total: \$60,897
Grantor: Wexford Development LLC, a North Carolina limited liability company
Grantee: Post Wade Tract M-2, LLC, a Georgia limited liability company
Tax Reference: Out of ID Numbers 0055469 and 0321116, 088474 and 0100683
Township: Meredith
Location: Sale property is located west of Edwards Mill Road at I-40 and Wade Avenue, Wake County, North Carolina.
Zoning: CUD-O&I-2, Raleigh
Utilities: All available
Sale Price: Total: \$30,448,500
Financing: Cash to the seller
Land Size: Total: 125.46± acres
Unit Price: \$242,695 per acre, or \$5.57 per square foot, overall

Remarks: Part of the Parkside at Wade development. Includes retail, multi-family, single family and office.

MIXED USE LAND SALE MU-5



Date:	October 4, 2007
Recording Information:	Deed Book 12780, Page 1887, Wake County registry
Revenue Stamps:	\$16,465
Grantor:	Allen J. Honeycutt, III and wife, Barbara H. Honeycutt; Mary H. Aldridge and husband, George Irvin Aldridge, Randy E. Honeycutt and wife, Donna H. Honeycutt; Jessie A. Honeycutt, unmarried; Faye H. Glennon, unmarried; JoAnn H. Duke and husband, Patrick Duke; Jack A. Ferguson and wife, Sherry B. Ferguson; Thomas A. Honeycutt, Jr. and wife, Patricia Honeycutt; Janie Marshall Honeycutt, widow; Charlotte Ann Deans unmarried; Brenda Joyce Honeycutt, unmarried; Glenna H. Bleam and husband, Russell Bleam
Grantee:	Perry Creek Road LLC
Tax Reference:	ID 0032779 and 0032772
Township:	Neuse
Location:	Sale property is located at the northeast corner of Capital Boulevard and Perry Creek Road, Raleigh, Wake County, North Carolina.
Zoning:	TD-CUD, Raleigh
Utilities:	All available
Sale Price:	\$8,232,500
Financing:	Cash to the seller
Land Size:	47.055± acres
Unit Price:	\$174,955 per acre, or \$4.02 per square foot, overall

Remarks: Property is being mixed use developed, Wadford Road development.

MIXED USE LAND SALE MU-6



Date: June 25 and 30, 2008, July 14, 2008, and October 1, 2008
Recording Information: Deed Book 13163, Pages 1699 and 1708, Deed Book 13178, Pages 1 and 9, and Deed Book 13262, Page 498, Wake County registry
Revenue Stamps: Total: \$28,507
Grantor: Holly Springs Shopping Center, LLC, a Maryland Limited Liability Company, AND Ruby J. Ransdell, a widow who has not remarried and Sylvia R. Thompson and husband, Earl Ryan Thompson, AND John Henry Hunter and wife, Dorothy Jean Hunter
Grantee: KRG New Hill Place, LLC, and Indiana Limited Liability Company
Tax Reference: ID 148922, 196448, 61111, 196449, 196450, 87542, 28885, 252172, 148922, 196448, 67333, 58552, 34271, 3678
Township: Holly Springs
Location: Sale property is located on the west side of NC 55 Bypass, on the north side of New Hill Road, south of the I-540 interchange, Holly Springs, Wake County, North Carolina.
Zoning: CB and R-MF-15, Holly Springs
Utilities: All available
Sale Price: Total: \$14,253,500
Financing: Cash to the seller
Land Size: Total: 147.457± acres
Unit Price: \$96,662 per acre, or \$2.22 per square foot, overall

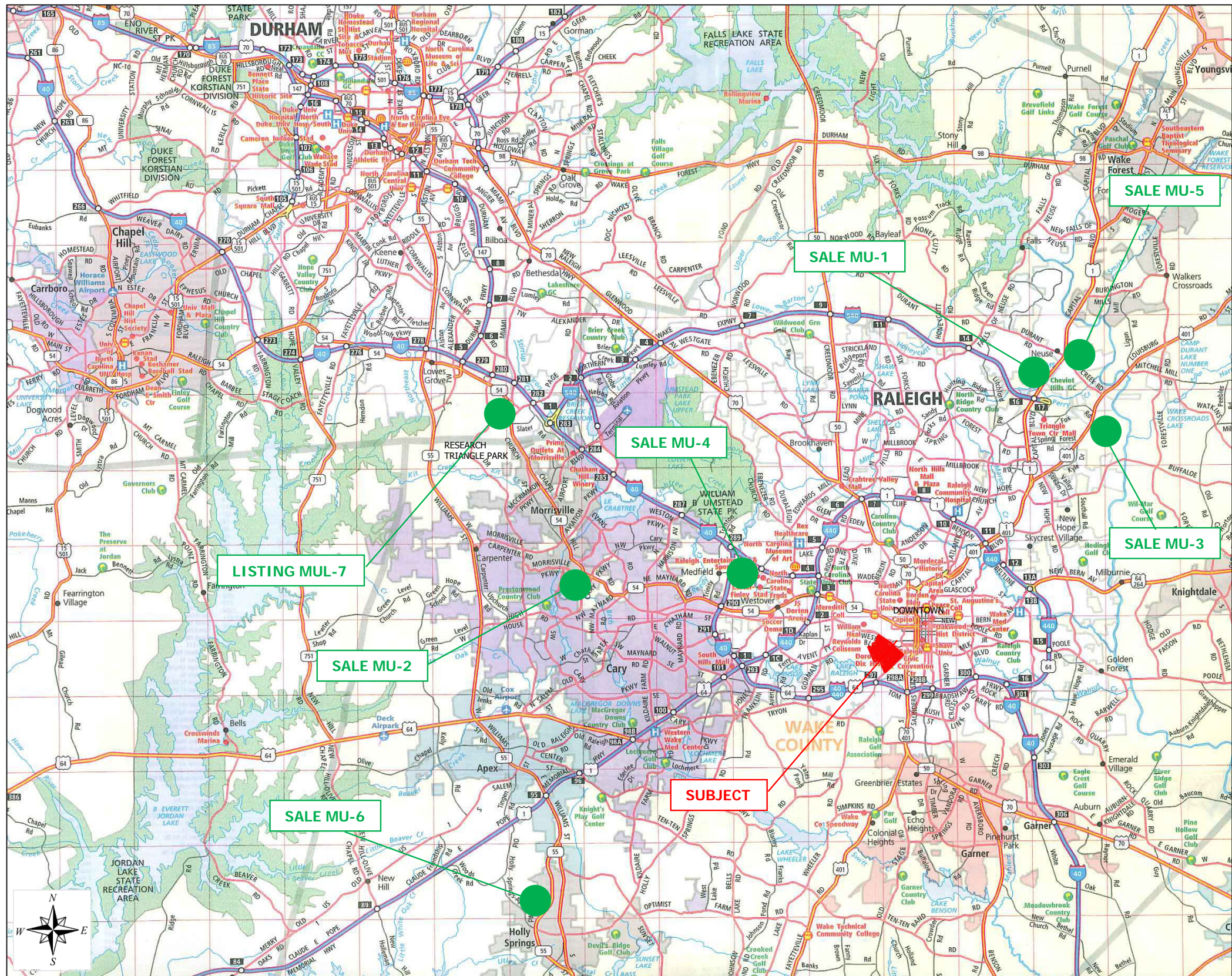
Remarks: Purchased for mixed use development, New Hill Place, residential, multi-family and retail/commercial.

MIXED USE LISTING MUL-7



Date:	Current listing
Owner:	Research Triangle, Ltd., a Florida limited partnership
Tax Reference:	ID 0032779 and 0032772
Township:	Triangle
Location:	Sale property is located on the east side of Davis Drive and the north side of Hopson Road, Durham, Durham County, North Carolina.
Zoning:	OI(D) Durham approved master plan
Utilities:	All available
Asking Price:	\$21,000,000
Financing:	Cash to the seller
Land Size:	93± acres
Asking Unit Price:	\$225,806 per acre, or \$5.18 per square foot

Remarks: Approved for mixed use, Davis Park East, including 1,963± units multi-family and residential, and 120,000± square feet retail and office.



MIXED USE LAND SALES LOCATION MAP

Section I(i) – Valuation – Parcel A – Fee Simple (continued)

In this section of the appraisal, the property rights being appraised in Parcel A are the rights in fee simple estate. All the sales transferred the fee simple estate, therefore, no adjustment is needed for property rights conveyed. All the sales were cash or cash equivalent transactions requiring no adjustment for financing. All the sales were arm's length transactions and require no adjustment for conditions of sale. Major dissimilar characteristics between the sales and the subject property include elapsed time since date of sale (changing market conditions), topographical features, and location.

Sale MU-1 was originally the Cheviot Hills golf course. It was purchased by a group of auto dealers for the development of several auto dealerships along the Capital Boulevard (US 1) frontage. It is probable the rear lands will be mixed use developed. The property has excellent commercial exposure with approximately 0.6± mile of frontage on Capital Boulevard. The rear property line is formed by CSX Railroad right-of-way. The property has similar access to the interstate highway system as Parcel A, with the Capital Boulevard/I-540 interchange located approximately 1/2± mile to the south. Overall, in many aspects, this property is considered similar to the subject. This tract has more retail commercial potential than Parcel A, but has less office potential. This tract is further removed from Raleigh's central downtown core, and I am making a slight upward adjustment for this factor.

Sale MU-2 was originally the site of a pharmaceutical manufacturing plant. The improvements were razed at an estimated cost of approximately \$3,100,000. The property has since been developed into Park West Village, a mixed use development including retail, office, hotel, condominium townhouses and apartments. The property is located in the rapidly developing area between Morrisville and Cary. It has good exposure with over 1,300 feet of frontage on Chapel Hill Road (NC 54) and over 1,300 feet of frontage on Cary Parkway. The location of this sale results in about two-thirds of the tract having retail/commercial potential and about one-third of the tract having office/multi-family/residential potential, a factor requiring downward adjustment when compared with Parcel A. The southern property line of Sale MU-2 is formed by Southern Railroad right-of-way. Park West Village has been one of the more successful mixed use developments in the Triangle area, having been developed out in about 6± years.

Sale MU-3 is the assemblage of 400+ acres at the northeastern quadrant of I-540 and Louisburg Road (US 401) in the northeast section of Raleigh. The property was assembled for a mixed use development to be known as 5401 North, to include apartments, row houses, single family residential, senior living, Class A office space and retail/commercial, as well as a public school site. Approximately 33.5± acres of this tract is in greenway easement along the Neuse River which forms most of the tract's eastern property line, and another 98± acres is classified SHOD-1 and must remain open space, or $[(33.5 \text{ acres} + 98 \text{ acres})/408.29 \text{ acres}]$ about 32±% of the property. This property has good accessibility to the interstate highway system, however, it is further removed from centers of employment and downtown Raleigh. This property is also located in a less developed area. Overall, this tract's location is considered inferior to the location of Parcel A.

Section I(i) – Valuation – Parcel A – Fee Simple (continued)

Sale MU-4 was originally the major portion of a state-owned tract which was sold and privately developed. The property is located at the intersection of Wade Avenue, I-40 and Edwards Mill Road. Directly to the east, across Edwards Mill Road is the PNC Center Arena, and further to the east is NCSU Carter Finley Stadium and the NC State Fairgrounds. The tract has good accessibility to I-40 and is convenient to the Research Triangle Park and the Raleigh-Durham Airport. Wade Avenue gives this property good accessibility to the Raleigh Beltline (I-440) and to downtown Raleigh. This tract was purchased for mixed use development into Parkside at Wade which includes Class A office space, retail/commercial, multi-family rental units, and 307 attached and detached townhouse units (now being developed as “Inside Wade”). The sale property’s location between downtown Raleigh, Cary, Research Triangle Park and Morrisville, across from the PNC Center Arena, is considered to be somewhat superior to Parcel A’s. Lands along a creek running through the central portion of this tract were dedicated as a conservation buffer, a factor requiring slight upward adjustment when compared with Parcel A.

Sale MU-5 has approximately 450± feet of frontage on Capital Boulevard (US-1), approximately 875± feet on Perry Creek Road, and approximately 650± feet on Wildwood Forest Drive. The property is being marketed for mixed use development. Approximately 37±% of the tract has resold for a car dealership (Carmax), about 15±% is designated for office development, and the remaining 48±% is planned for multi-family/townhouse development. Its location on Capital Boulevard at Perry Creek Road gives this sale somewhat more commercial potential than Parcel A. Conversely, this property does not have downtown Raleigh proximity/influence. Overall, the location and developmental potential of this sale is considered comparable to slightly inferior to Parcel A.

Sale MU-6 is the assemblage of 147+ acres for a mixed use development known as New Hill Place in the Holly Springs community of Wake County, and is to include residential, multi-family and retail/commercial development. The property fronts on the west side of NC 55 Bypass and the north side of New Hill Road, approximately 1-1/2± miles south of the I-540/NC 55 interchange. The retail portion of the development is underway and includes a big box Target store and a movie theater. The northern portion of the ownership is to be primarily residentially developed. This tract sold at the time of the economic “crash” in 2008 and requires upward adjustment for changing market conditions (elapsed time). The location of this tract is much inferior to Parcel A, being much farther removed from centers of employment and the downtown Raleigh influence. In addition, this property has more abruptly sloping topography than the subject.

Market Conditions Adjustment

The sales occurred between June 2006 and October 2008, and my research indicates the sales should be adjusted for changing market conditions (elapsed time since date of sale). The real estate market in the area peaked in 2007. In September 2008, the national economy plummeted. Residential prices dropped quickly, and in some cases, significantly. The commercial market stagnated, and while in some areas of the country commercial real estate prices reportedly plunged, my research did not find falling commercial property prices in the area, but rather very little commercial real estate market activity. It appears some property owners were unwilling to sell and realize losses. After the economic “crash,” financing for real estate ventures, especially large scale type development, became all but unobtainable.

Section I(i) – Valuation – Parcel A – Fee Simple (continued)

The real estate recovery since 2008 has been long and slow, however, by date of value in 2013 measurable recovery has occurred in the overall market. Sale MU-5 sold in October 2007 for \$174,955 per acre. In October 2012, 17+ acres of this tract, the commercial portion, sold for a Carmax dealership for \$400,000+ per acre, indicating improvement in market conditions.

With little actual local sales data from which to extract an adjustment for changing market conditions, I utilized data from the National Council of Real Estate Investment Fiduciaries *Transactions-Based Index of Institutional Commercial Property Investment Performance (NCREIF TBI)*. The TBI estimates quarterly market price changes by market segment based on verifiable sales prices of commercial properties nationwide. The approximate index points corresponding with Sales MU-1 through MU-6 follows:

SALE NO.	NCREIF TBI
MU-1	198.753
MU-2	215.915
MU-3	227.776 (avge)
MU-4	223.355
MU-5	225.594
MU-6	206.677 (avge)

The NCREIF index point corresponding with the date of value, third quarter 2013, is 220.087, approaching the 2007 indices. The NCREIF TBI also shows the real estate market nationwide has improved as indicated in my market analysis. Sales MU-2 through MU-5 occurred basically in 2007, and I am adjusting these sales downward slightly, 5%, for changing market conditions. I am applying an upward adjustment of 5% to Sale MU-1 and an upward adjustment of 10% to Sale MU-6 for changing market conditions (elapsed time) between these sale dates and the date of value, July 2013.

Topography Adjustment

Sales MU-1, MU-2 and MU-5 have topographical characteristics considered similar to Parcel A. A creek runs through the central portion of Sale MU-4 and lands along this creek were dedicated as conservation buffer area. While these lands cannot be developed, the area can be used to satisfy open space requirements. Sale MU-6 is more abruptly sloping overall than Parcel A. An upward adjustment of 10% is being applied to both these sales for topography. An estimated 33.5± acres of Sale MU-3 is in a greenway easement, and 98± acres of the tract is in a SHOD-1 Overlay District, a total area estimated at about 32±% of the tract. I am adjusting this sale up 30% for this factor.

Location Adjustment

Overall, the locations of Sales MU-1 and MU-5 are considered comparable to slightly inferior when compared with Parcel A. Both these sales have good commercial frontage on Capital Boulevard. Both tracts have more retail commercial potential than Parcel A, but less office potential. Both sale properties, however, are further removed from Raleigh's central downtown core, and I am making a slight upward adjustment of 5% for this factor.

MIXED USE LAND SALES SUMMARY

SALE NO.	SALE DATE	GRANTOR/ GRANTEE	LOCATION	ZONING	SALE PRICE	LAND SIZE	UNADJ. UNIT PRICE	REMARKS	TIME ADJ.	TOPO. ADJ.	LOCA-TION ADJ.	ADJ. UNIT PRICE
MU-1	6/30/2006	Cheviot Hills Golf Course, Inc & Allen, Trustee to Crossroads Holdings, LLC & MLC Automotive, LLC	NW s Capital Blvd between Durant Rd & Gresham Lake Rd, NE of I-540, Raleigh	IND-1, Raleigh	Total: \$25,000,000	Total: 151.706± acres	\$164,792/acre, overall	Purchased for a large auto sales center to be co-developed by the grantees. Possible mixed use potential on rear lands.	+5%	-0-	+5%	\$181,684/ac
MU-2	12/29/06	Andrx Pharmaceuticals (NC), Inc to Morrisville Partners, LLC	SW s Chapel Hill Rd (NC 54) at Cary Parkway, Morrisville	MU, Morrisville	\$22,500,000 Add: Estimated demolition cost: <u>3,100,000</u> \$25,600,000	95.86671± acres	\$267,037/acre	Purchased for mixed use development including retail, apartment, residential and office, Park West Village. 475,500± sf pharmaceutical plant razed.	-5%	-0-	-20%	\$202,949/ac
MU-3	1/23&30/07 6/21/07	Bradsher, et al & Robuck Properties, LLC, et al to 5401 North, LLC	NE quadrant US 401 & I-540, Raleigh	CUD-TD, CUD-R-6, R-4 & CM; SHOD-1 Overlay, Raleigh	Total: \$39,071,500	Total: 408.29± acres	\$95,695/acre, overall	Purchased for mixed use development. Estimated 33.5± acres in greenway & 98± acres in SHOD-1.	-5%	+30%	+40%	\$165,458/ac
MU-4	8/24/07	Wexford Development LLC to Post Wade Tract M-2, LLC	W of Edwards Mill Rd at I-40 & Wade Ave	CUD-O&I-2, Raleigh	Total: \$30,448,500	Total: 125.46± acres	\$242,695/acre, overall	Part of the Parkside at Wade development. Includes retail, multi-family, single family & office.	-5%	+10%	-20%	\$202,893/ac
MU-5	10/4/07	Honeycutt, et al to Perry Creek Road LLC	NE c Capital Blvd & Perry Creek Rd, Raleigh	TD-CUD, Raleigh	\$8,232,500	47.055± acres	\$174,955/acre	Property is being mixed use developed, Wadford Road development.	-5%	-0-	+5%	\$174,517/ac
MU-6	6/25&30/08 7/14/08 10/1/08	Holly Springs Shopping Center, LLC & Ransdell, et al & Hunter to KRG New Hill Place, LLC	W s NC 55 Bypass, N s New Hill Rd, S of the I-540 interchange, Holly Springs	CB & R-MF-15, Holly Springs	Total: \$14,253,500	Total: 147.457± acres	\$96,662/acre	Purchased for mixed use development, New Hill Place, residential, multi-family & retail/ commercial.	+10%	+10%	+40%	\$163,745/ac
MUL-7	Current offering	Owner: Research Triangle Ltd	E s Davis Dr, N s Hopson Rd, Durham, Durham County	OI(D), Durham Approved master plan	Asking: \$21,000,000	93± acres	Asking: \$225,806/acre	Approved for mixed use, Davis Park East, including 1,963 units multi-family & residential & 120,000 sf retail & office.				

Section I(i) – Valuation – Parcel A – Fee Simple (continued)

Sales MU-3 and MU-6 are much farther removed from centers of employment and the downtown Raleigh influence, and have locations considered significantly inferior to Parcel A. While only a small sample, comparison of the time and topography adjusted unit price of Sale MU-3 with the time adjusted unit prices of Sales MU-1 and MU-5, sales which have comparable to slightly inferior locations to Parcel A, does indicate differences of 46% and 41%, respectively. Also of note is that a 40+ acre residential portion of Sale MU-4, which has a superior location to Parcel A, sold in November 2010 for \$129,489 per acre, and a 123.72± acre residential portion of Sale MU-3 sold in October 2013 for only about half, \$67,895 per acre. I am adjusting Sales MU-3 and MU-6 upward 40% for location.

The locations of Sales MU-2 and MU-4 are superior to Parcel A. Sale MU-2 has been developed into Park West Village, a mixed use development including retail, office, hotel, condominium townhouses and apartments. The property is located in the rapidly developing area between Morrisville and Cary. It has good exposure with over 1,300 feet of frontage on Chapel Hill Road (NC 54) and over 1,300 feet of frontage on Cary Parkway. The location of this sale results in about two-thirds of the tract having retail/commercial potential and about one-third of the tract having office/multi-family/residential potential. Sale MU-4 is located between downtown Raleigh, Cary, Research Triangle Park and Morrisville, across from the PNC Center Arena. Comparison of Sales MU-2 and MU-4 with Sales MU-1 and MU-5 indicates differences ranging from about 32% to 34%. Considering that Sales MU-1 and MU-5 have slightly inferior locations to Parcel A, I am tempering the indicated difference and adjusting Sales MU-2 and MU-4 down 20% for their superior locations to Parcel A.

I have also considered the current listing for sale, Listing MUL-7, of a 93± acre tract adjacent to the Research Triangle Park in close proximity to the Raleigh-Durham International Airport. The property has been approved for mixed use development, including residential, multi-family, office and commercial. This property has some similar characteristics to the subject property. The property is currently listed for sale at an asking price of approximately \$225,800 per acre. It is quite common that if properties are priced reasonably, they eventually sell for prices ranging from about 10% to 25% less than their asking prices. If the asking price of \$225,800 per acre is reduced by 20%, a potential sale price of about \$180,000 per acre would be indicated.

The six mixed use sales sold for unadjusted unit prices ranging from \$95,695 to \$267,037 per acre. After analyzing the sales, directly comparing them with Parcel A and adjusting the sales for dissimilar characteristics between them and Parcel A, the six sales indicate adjusted unit prices ranging from \$163,745 to \$202,949 per acre. The mean of these adjusted unit prices is \$181,874 per acre; the median is \$183,347 per acre. The average of the sales weighted by the amount of adjustment is \$184,235 per acre. The sales least adjusted, Sales MU-5 and MU-1 indicate adjusted unit prices of \$174,517 per acre and \$181,684 per acre, respectively. Based on the preceding, my opinion of the estimated market value of the fee simple interest in Parcel A, the 237.475± acre portion of the subject property unencumbered by lease for the Soccer Fields and the Healing Place, as though unencumbered by the December 2012 lease from the State to the City of Raleigh, as of July 9, 2013 was **\$182,000 per acre** exclusive of the 3± acre cemetery, as though unaffected by environmental contamination and not considering demolition cost of the existing improvements.

Section I(i) – Valuation – Parcel A – Fee Simple (continued)

Total land size of subject property -	307.95 acres
Less area in Soccer Fields -	(60.00) acres
Less area in Healing Place -	<u>(10.475) acres</u>
Land size of Parcel A:	237.475 acres
Less cemetery area:	<u>(3.00) acres</u>
	234.475 acres

234.475 acres @ \$182,000.00/acre =

Estimated market value of the fee simple interest in Parcel A, the 237.475± acre portion of the subject property unencumbered by lease for the Soccer Fields and the Healing Place, as though unencumbered by the December 2012 lease from the State to the City of Raleigh, not considering demolition cost of the existing improvements, as of July 9, 2013 was -

\$42,674,450.00

For additional support of my opinion of the market value, I also prepared an abbreviated discounted cash flow analysis. I have not relied on this as a method of valuation, but primarily to check the reasonableness of my conclusion of value by the sales comparison approach. The inputs in this analysis were taken from market information. Parcel A contains 234.475± acres (not including cemetery). I have estimated approximately 10± acres of the tract would be needed for infrastructure, leaving developable area of (234.475 acres – 10 acres) about 224.475± acres. It is most common when using a discounted cash flow analysis as a valuation method, the appraiser relies on a master plan. The subject property has not been master planned. I considered other mixed use developments as well as the subject property itself to estimate the land areas of potential mixed use elements, i.e.: retail/commercial, office, multi-family, and residential “infill.” In my opinion, a reasonable mix of uses for Parcel A would be:

- 10% to 20% retail/commercial, say 15%, or (224.475 acres x .15) 34± acres
- 30% to 40% office, say 35%, or (224.475 acres x .35) 79± acres
- 25% multi-family, or (224.475 acres x .25) 56± acres
- 25% residential infill, or (224.475 ac – 34 ac – 79 ac – 56 ac) about 55.475± acres

I made a search for the sale of acreage tracts having these various uses as their highest and best use. Sales summaries for each use can be seen on the following pages. Based on these sales searches and considering the characteristics of Parcel A, I estimate the retail portion of the property would sell for \$375,000 per acre, the office portion would sell for \$400,000 per acre, the multi-family lands would sell for \$350,000 per acre, and the residential infill would sell for \$300,000 per acre.

Since the interior of Parcel A is already accessible by interior roads, and water and sewer lines extend throughout the property, I estimate development costs to be approximately \$10,000 per acre overall. Holding costs, including real estate taxes, maintenance, insurance, administration, et cetera, are estimated at 5% of sell-out less development costs. In consideration of the size of

RETAIL LAND SALES SUMMARY

SALE NO.	SALE DATE	RECORDING INFO	GRANTOR/ GRANTEE	LOCATION	ZONING	SALE PRICE	LAND SIZE	UNIT PRICE	REMARKS
RL-1	12/13/06	DB 12324/541-545 DB 12405/1280	Aschenbrenner & Cashwell to Cary Development Partners	SE quad Creedmoor Rd (NC 50) & Millbrook Rd	CUD-SC	Total: \$2,490,000	Total: 7.063± acres	\$352,541/acre or \$8.09/sf	Key corner location in North Raleigh. Purchased for commercial development to be known as The Pointe at Creedmoor
RL-2	10/31/07	DB 12819/2214	Northpointe Property, LLC to Colonnade Regency, LLC	NE quad Six Forks Rd & Colonnade Center Dr	CUD-SC	\$3,800,000	6.6765± acres	\$569,160/acre or \$13.07/sf	Part of the Colonnade development in an area of high buying power. Developed w/2 freestanding buildings, Whole Foods grocery store & multi-tenant strip center.
RL-3	1/10/08	DB 12909/546	Faison-Triangle, LLC to Wal-Mart Real Estate Business Trust	Town Dr & Segal Dr	CUD-SC	\$10,000,000	28.52± acres	\$350,631/acre or \$8.05/sf	Developed with big box Wal-Mart SuperCenter.
RL-4	10/1/08	DB 13262/498	Hunter to KRG New Hill Place, LLC	NE quad NC 55 Bypass & New Hill Rd	CB, Holly Springs	\$4,984,000	18.42± acres	\$270,575/acre or \$6.21/sf	Part of an assemblage for a large power center, to be known as New Hill Place. To be anchored by Target & Frank Cinema & several junior anchors. Plans show a total of 19 freestanding buildings.
RL-5	10/30/08	DB 13288/2511	LBJ/Cary Associates, LLC to Fairview Center, LLC	SE s Holly Springs Rd & SW s Ten Ten Rd	PDD, Cary	\$5,000,000	17.216± acres	\$290,428/acre or \$6.67/sf	Has been developed w/Fairview Village & Shops, anchored by Food Lion. 2 freestanding buildings & 4 outparcels.
RL-6	10/10/12	DB 14982/1951	Perry Creek Road LLC to Carmax Auto Superstores, Inc	NE quad Capital Blvd (US 1) & Perry Creek Rd	CUD-TD	\$7,150,000	17.6178± acres	\$405,840/acre or \$9.32/sf	Purchased for Carmax auto dealership.
RL-7	12/31/12	DB 15089/643	KRG/Prisa II Parkside, LLC to Target Corporation	S s Okelly Chapel Rd, 1/4± mi E of NC 55	ORD, Cary	\$3,000,000	10.72± acres	\$279,851/acre or \$6.42/sf	Purchased for big box Target store.
RL-8	11/27/13	DB 15517/1701	SLF Ruby Jones, LLC to Brier Creek Arbors Drive Retail, LLC	NE s TW Alexander Dr & ACC Blvd	CUD-TD	\$1,450,000	6.40± acres	\$226,563/acre or \$5.20/sf	Purchased for Harris Teeter grocery store.

OFFICE LAND SALES SUMMARY

SALE NO.	SALE DATE	RECORDING INFO	GRANTOR/ GRANTEE	LOCATION	ZONING	SALE PRICE	LAND SIZE	UNIT PRICE	REMARKS
OL-1	2/7/07	DB 12392/2324	Chaucer Investments LLC to North Raleigh Medical Realty LLC	N s Durant Rd, 1/4± mi E of Falls of Neuse Rd	O&I-1	\$2,539,000	5.8872± acres	\$431,275/acre or \$9.90/sf	North Raleigh location. Purchased for medical office building development.
OL-2	5/9/07	DB 12540/2436	Wexford Development LLC to Lichtin/Wade, LLC	S s I-40/Wade Ave & N s Wade Park Blvd	O&I-2	\$7,917,500	20.02± acres	\$395,480/acre or \$9.08/sf	Part of Parkside at Wade office development.
OL-3	1/15/09	DB 13352/840	The Lundy Group, Inc to North Carolina Board of Nursing	NS Lake Boone Tr, W of Lake Dr. 4516 Lake Boone Trail.	O&I-1	\$1,301,000	2.4283± acres	\$535,766/acre or \$12.30/sf	Purchased for office development.
OL-4	4/5/10	DB 13900/843	Unity Church of Raleigh, Inc to Leesville Investments, LLC	W s Leesville Rd, 300±' N of Fairbanks Rd	O&I-1	\$810,000	2.825± acres	\$286,726/acre or \$6.58/sf	Purchased for day care center.
OL-5	6/17/10	DB 13975/1874	SLF Ruby Jones, LLC to WakeMed Property Services	SW s Alexander Dr & ACC Blvd	TD-CUD	\$2,900,000	12.58± acres	\$230,525/acre or \$5.29/sf	Purchased for office development. 4± acres in floodplain.
OL-6	1/13/12	DB 14611/817	Rex Hospital, Inc to Group I Ventures Edwards Mill LLC	W s Edwards Mill Rd, 1/4± mi S of Duraleigh Rd	O&I-1	\$4,409,000	13.495± acres	\$326,714/acre or \$7.50/sf	Purchased for medical office development.
OL-7	2/14/13	DB 15144/117 & 121	Stowe & McIntyre to Kimberly Development Group, LLC	SE s Sandy Forks Rd, just W of Six Forks Rd	CUD-O&I-1	Total: \$844,000	1.802± acres	\$468,368/acre or \$10.75/sf	Purchased for office development.

MULTI-FAMILY LAND SALES SUMMARY

SALE NO.	SALE DATE	RECORDING INFO	GRANTOR/ GRANTEE	LOCATION	ZONING	DENSITY	SALE PRICE	LAND SIZE	UNIT PRICE	REMARKS
MF-1	11/2/07	DB 12821/2400	Murray-Smith, et al to GS Plantation Point, LP	NE s intersection Sumner Blvd & Ruritan St backing up to I-540	SC-CUD	432 units or 16.3 units/acre	\$5,790,000	26.44± acres	\$218,986/acre or \$13,403/unit	Developed into Plantation Point Apartments.
MF-2	9/22/10	DB 14083/1550	Quality Properties Asset Management Co to TRG Briarcreek, LLP	S s ACC Blvd, N s Glenwood Ave (US 70)	TD-CUD	291 units or 20.1 units/acre	\$2,500,000	14.516± acres	\$172,224/acre or \$8,591/unit	Developed into The Crest at Brier Creek Apartments.
MF-3	2/25/11 9/9/11 10/28/11	DB 14280/2645 DB 14280/2657 DB 14457/1635 DB 14514/2057	Windsor Terrace Asso- ciates, LLP, et al AND ACP Development of North Carolina, LLC AND Sears, et al to Crabtree Apart- ments Associates, LLC AND Crabtree North, LLC	W s Lead Mine Rd at Charles Dr, Raleigh	R-15 CUD & O&I-1 CUD	Cap of 533 units or 58 units/acre & 2,500-7,500± sf retail	Total: \$3,200,000	Total: 9.13± acres	\$350,493/acre or \$6,004/unit	Included 71 unit Richmond Hills Apartments & 4± acres adjacent land. Apartments to be razed. Site to be redeveloped w/500+ units & minimal retail/office w/parking deck.
MF-4	5/17/11	DB 14354/2227	CIP Brier Creek, LLC to Brier Creek Luxury Apartments, Ltd Partnership	E s Aviation Parkway & W s Sellona St	CUD-TD	276 units or 15.51 units/acre	\$2,760,000	17.79± acres	\$155,143/acre or \$10,000/unit	Developed into The Jamison at Brier Creek Apartments
MF-5	5/31/11	DB 14366/2262	Green, Brinkley, Mills & Green to UV 2505, LLC	SW corner Lake Wheeler Rd & Lineberry Dr	R-10	72 units or 9.87 units/acre	\$1,200,000	7.293± acres	\$164,541/acre or \$16,667/unit	Developed w/University Village Townhouses
MF-6	11/28/11	DB 14559/19	Faison-Triangle, LLC to TPADRP, LLC	N s Old Wake Forest Rd, E & W s Segal Dr, N s Town Dr, backing up to I-540	SC-CUD	339 units or 12.27 units/acre	\$3,900,000	27.62± acres	\$141,202/acre or \$11,504/unit	Developed w/Sterling Town Center Apartments.
MF-7	12/19/11	DB 14583/1546	Highwoods Realty LP to Lofts at Weston SPE, LLC	N s intersection of Old Reedy Creek Rd & Winstead Dr	RMF PDD, Cary	215 units or 14.38 units/acre	\$2,400,000	14.951± acres	\$160,524/acre or \$11,163/unit	Developed into The Lofts at Weston Lakeside Apartments.
MF-8	3/30/12	DB 14712/1851	Morrisville Partners, LLC to PR III/Wood Cary Parkway Apartments, LLC	SW s Bristol Creek Dr, S of Morrisville Pkwy & W of Chapel Hill Rd (NC 54)	MU, Morrisville	260 units or 17.80 units/acre	\$4,500,000	14.605± acres	\$308,114/acre or \$17,308/unit	Developed into Bristol Creek Apartments.
MF-9	7/10/12	DB 14845/908	Smith to Six Forks Apartments, LLC	E s Six Forks Rd, just S of Featherstone Dr	CUD-O&I-1	266 units or 25.00 units/acre	\$4,775,000	10.6397± acres	\$448,791/acre or \$17,951/unit	Developed into Bainbridge Apartments.
MF-10	7/27/12	DB 14860/1304	GFM II, LLC; Englert, LLC; & Frederick Investment Corporation to Simpson Woodfield Marshall Park, LLC	SE s Blue Ridge Rd at Homewood Banks Dr	CUD-O&I-2	384 units or 41.88 units/acre	\$6,400,000	9.1696± acres	\$697,958/acre or \$16,667/unit	Purchased to be developed w/Marshall Park on the Greenway Apartments.
MF-11	10/12/12	DB 14969/560	Jordan to Meridian at Harrison Pointe, LLC	E s N Harrison Ave, 1/4± mi N of Maynard Rd	PDD, Cary	248 units or 13.24 units/acre	\$3,600,000	18.7245± acres	\$192,261/acre or \$14,516/unit	Developed into Meridian at Harrison Pointe Apartments.

RESIDENTIAL INFILL LAND SALES SUMMARY

SALE NO.	SALE DATE	RECORDING INFO	GRANTOR/ GRANTEE	LOCATION	ZONING	DENSITY	SALE PRICE	LAND SIZE	UNIT PRICE	REMARKS
RES-1	4/16/07	DB 12502/495	Jedaholu Enterprises to Dorothea Drive Brownstones, LLC	S s Dorothea Dr, 220±' W of S Saunders St, backs up to Western Blvd across from subject property	CUD-R-20	19 lots or 14.62 lots/acre	\$625,000	1.30± acres	\$480,769/acre or \$32,895/lot	Being developed in Dorothea Commons. Average lot size 1,800± sf. Infill location.
RES-2	11/22/10	DB 14167/1488	Post Wade Tract R-1, LLC to Lennar Carolinas, LLC	W end Wake Park Blvd at I-40 & Wade Ave	CUD-O&I-2	307 units or 7.5 units/acre	\$5,300,000	40.93± acres	\$129,489/acre or \$17,264/unit	Mixture of attached and detached residences, Inside Wade.
RES-3	10/27/11	DB 14515/1550, 1555, 1560, 1565	Core, Decarolis, Flebotte & Dellmoore, LLC to Retreat at Raleigh, LLC	S s Hillsborough St, W s Oakdale Dr, E s Wolf Wood Dr	R-10, SC & NB	149 units or 6.73 units/acre	Total: \$3,469,000	Total: 22.143± acres	\$156,664/acre or \$23,282/unit	Developed into Retreat at Raleigh. Mixture of townhomes, single family and apartments. Geared to NCSU students. Desirable infill location.
RES-4	1/6/14	DB 15550/1518, 1524, 1529, 1534, & 1540	Motley & Justice, et al to Stonehenge Manor Developers, LLC	Se corner Ray Rd & Howard Rd	R-4	82 lots or 2.8 lots/acre	Total: \$5,905,500	Total: 29.26± acres	\$201,828/acre or \$72,018/lot	North Raleigh infill site. All single family lots, Chavis Subdivision (Stonehenge Manor).

Section I(i) – Valuation – Parcel A – Fee Simple (continued)

the development, marketing expense is estimated at 3%. In my opinion, entrepreneurial profit would be reasonable at 15% of total sell-out.

Considering the improving market, the advantageous location with relation to downtown Raleigh and other centers of employment, analysis of other mixed use developments, and other factors, I have estimated an absorption period of seven years, which I consider to be at the conservative end of the range. This absorption period does not represent the sell-out of individual lots, but rather the sell-out of acreage “pods.” Based on the discount rate analysis in the following Sections II and III of this report, an appropriate discount rate might fall in the range from 8% to 10%.

A simplified discounted cash flow analysis based on the preceding assumptions follows:

34 acres @ \$375,000.00/acre =	
Estimated sell-out of retail lands -	\$12,750,000.00
79 acres @ \$400,000.00/acre =	
Estimated sell-out of office lands -	31,600,000.00
56 acres @ \$350,000.00/acre =	
Estimated sell-out of multi-family lands -	19,600,000.00
55.475 acres @ \$300,000.00/acre =	
Estimated sell-out of residential infill lands -	<u>16,642,500.00</u>
Total projected sell-out -	\$80,592,500.00
Less: Development costs:	
224.475 acres @ \$10,000.00/acre =	<u>(2,244,750.00)</u>
	\$78,347,750.00
Less: Holding costs:	
\$78,347,750.00 x .05 =	3,917,388.00
Less: Marketing expense:	
\$78,347,750.00 x .03 =	2,350,433.00
Less: Entrepreneurial profit:	
\$80,592,500.00 x .15 =	<u>12,088,875.00</u>
Total project expense and profit -	<u>(18,356,696.00)</u>
Projected net income -	\$59,991,054.00

\$59,991,054/7 years sell-out = \$8,570,151 projected annual income

Discount factor for the right to receive annual payments for 7 years at 8% = 5.20637

Discount factor for the right to receive annual payments for 7 years at 10% = 4.86842

\$8,570,151.00 x 5.20637 = \$44,619,377.00; \$44,619,377/234.475 acres = \$190,295 per acre
\$8,570,151.00 x 4.86842 = \$41,723,095.00; \$41,723,095/234.475 acres = \$177,943 per acre

At the indicated range of discount rates, 8% to 10%, the results bracket my estimate of market value for the subject property of \$182,000 per acre using the sales comparison approach and support its reasonableness.

Section I(i) – Valuation – Parcel A – Fee Simple (continued)

As previously stated, estimated market value of the fee simple interest in Parcel A, the 237.475± acre portion of the subject property unencumbered by lease for the Soccer Fields and the Healing Place, as though unencumbered by the December 2012 lease from the State to the City of Raleigh, as though unaffected by environmental contamination and not considering demolition cost of the existing improvements, as of July 9, 2013 was -

\$42,674,450.00

Estimated Demolition Cost of Existing Improvements

I was furnished a demolition proposal prepared by D. H. Griffin Wrecking Co., Inc., 421 Raleigh View Road, Raleigh, NC 27610, dated October 15, 2013 for 1,191,558± square feet of existing improvements on Parcel A for \$5,225,000, or (\$5,225,000/1,191,558 sf) approximately \$4.39 per square foot. A copy of this estimate can be seen in the *Addenda*. This estimate does not include removal and disposition of any hazardous or asbestos materials.

According to Marshall Valuation Service Cost Estimating Manual, Section 66, Page 11, “Building Demolition,” the cost of demolition of Class A type of construction buildings ranges from approximately \$5.00 to \$7.50 per square foot; the cost of demolition of Class C type of construction buildings ranges from approximately \$4.00 to \$6.00 per square foot; and the cost of demolition of Class D type of construction buildings ranges from approximately \$3.50 to \$5.30 per square foot. These costs assume no environmental contaminants or salvage value, and include loading and hauling but not dump fees. Considering the magnitude of demolition, the D. H. Griffin proposal is well supported by Marshall.

Estimated demolition cost of existing improvements on Parcel A -

(\$5,225,000.00)
\$37,449,450.00

Rounded to an estimated market value of the fee simple interest in Parcel A, the 237.475± acre portion of the subject property unencumbered by lease for the Soccer Fields and the Healing Place, as though unencumbered by the December 2012 lease from the State to the City of Raleigh, as though unaffected by environmental contamination, as of July 9, 2013 was -

\$37,449,500.00

SECTION I(ii)

The purpose of this section of the appraisal is to estimate the market value of the leased fee interest in Parcel B, the 60± acre portion of the subject property leased to the City of Raleigh for Soccer Fields, not considering the December 2012 lease from the State to the City of Raleigh.

PROPERTY DESCRIPTION – PARCEL B, SOCCER FIELDS

Located in the extreme northwestern portion of the subject ownership, bounded on the north by Western Boulevard and lying west of Hunt Drive, is a vacant cleared 60± acre area which I have labeled Parcel B, and which is leased to the City of Raleigh and used as soccer fields by the Capital Area Soccer League (CASL). (For visual reference see the *Parcel Identification Map* on page 26.) A copy of the Soccer Fields lease can be seen in the *Addenda*. The lease terminates 70 years from its execution, April 18, 1997, indicating a remaining lease term of about 54± years at date of value. The consideration for the lease was \$1 for the entire term.

Parcel B was formerly used as a landfill, and has since been covered by fill dirt which reportedly came from the Raleigh Convention Center project. We spoke with Ms. Cheryl Marks, Solid Waste Division, North Carolina Department of Environment & Natural Resources (NCDENR) who informed us this landfill site is identified as the 56.4 acre Old Raleigh Landfill #11 – Dorothea Dix, ID Number NONCD0000610 on NCDENR records. The site is the subject of an ongoing investigation by the Department. Ms. Marks indicated the site is basically restricted from any development that would penetrate the surface. This appraisal is being made under the hypothetical condition that Parcel B is unaffected by environmental contamination, however, regardless of environmentally hazardous issues, it is probable that at present, the majority of the 60 acre tract would not support normal construction because of subsoil/settlement issues. I have not been furnished any engineering studies regarding suitability for construction. **I am assuming the subsoil will support normal construction at the termination of the lease in 54± years.**

SECTION I(ii) VALUATION – PARCEL B – LEASED FEE

Since there is no annual rental for Parcel B, the 60 acre Soccer Fields tract, the market value of the leased fee interest in Parcel B, not considering the December 2012 lease from the State to the City of Raleigh, is basically the right to receive the reversion of the property 54 years from date of value. Based on my sales analysis for Parcel A, and assuming Parcel B was developable, my opinion of the estimated market value of the fee simple interest in Parcel B, as of July 9, 2013, would be \$182,000 per acre.

Assuming no change in value over the 54± years remaining on the lease, the reversion at the end of the 54 year term would be:

60 acres @ \$182,000.00/acre = \$10,920,000

Assuming an increase in value of 1.5% per year over the 54± years remaining on the lease, the reversion at the end of the 54 year term would be:

\$10,920,000 increased by 1.5% per year for 54 years: \$24,399,949

Section I(ii) – Valuation – Parcel B – Leased Fee (continued)

Assuming no change in value would entail less risk, and I estimate a discount rate of 7.5% (see discount rate discussion in following Sections II and III) for this scenario, indicating a reversionary value of:

Present value factor for a future value in 54 years discounted at 7.5%: 0.020135
 $\$10,920,000.00 \times 0.020135 = \$219,874.00$

Assuming a 1.5% per year increase in value would entail greater risk, and I estimate a discount rate of 10% for this scenario, indicating a reversionary value of:

Present value factor for a future value in 54 years discounted at 10%: 0.005818
 $\$24,399,949.00 \times 0.005818 = \$141,959.00$

Based on the preceding, my opinion of the market value of the leased fee interest in Parcel B, the 60± acre portion of the subject property leased for Soccer Fields, not considering the December 2012 lease from the State to the City of Raleigh, as though unaffected by environmental contamination, assuming the subsoil will support normal construction at the termination of the lease, as of July 9, 2013 was -

\$180,000.00

SECTION I(iii)

The purpose of this section of the appraisal is to estimate the market value of the leased fee interest in Parcel C, the 10.475± acre portion of the subject property leased to the Healing Place of Wake County, not considering the December 2012 lease from the State to the City of Raleigh.

PROPERTY DESCRIPTION – PARCEL C, HEALING PLACE

Located at the southern end of the subject property, at the intersection of Lake Wheeler Road and Goode Drive, is a 10.475± acre, or (10.475 acres x 43,560 sf/acre) 456,291± square foot area labeled Parcel C, that is ground-leased to The Healing Place of Wake County, a North Carolina non-profit corporation. (For visual reference see the *Parcel Identification Map* on page 26 and the Healing Place/Healing Center surveys in the *Addenda*. A copy of the Healing Place lease can also be seen in the *Addenda*.) The original term of the lease terminates September 10, 2027. The lease has provision for two 10-year renewals, which would extend the lease to September 10, 2047, indicating a remaining lease term of about 34± years at date of value. The consideration for the original lease term was \$1; the consideration for the two renewals is \$1 per renewal period.

Parcel C is improved with leasehold improvements consisting of a 40,700± square foot rehabilitation center comprised primarily of office areas, dormitories and cafeteria. This structure was reportedly built in 2000, making its actual age at date of value approximately 13± years. Upon termination of both ground lease renewal periods in 2047, the facility will be 47± years old, approaching the end of its economic life, therefore, a more detailed description of the existing improvements is not necessary to produce a credible estimate of leased fee value.

SECTION I(iii) VALUATION – PARCEL C – LEASED FEE

Since the only rent for Parcel C, the Healing Place, from date of value until the final termination of the ground lease is \$2, the market value of the leased fee interest in Parcel C, not considering the December 2012 lease from the State to the City of Raleigh, is basically the right to receive the reversion of the property 34 years from date of value. The improvements will be 47± years old at that time and will be at or approaching the end of their economic life, therefore, I project the reversion will consist of land value.

Based on the recent sale of small acreage sites considered comparable to Parcel C (please see the *Retail Land Sales Summary* and the *Office Land Sales Summary* on pages 49 and 50), my opinion of the estimated market value of the fee simple interest of the underlying lands of Parcel C as though vacant, as of July 9, 2013, was \$9.00 per square foot.

Assuming no change in value over the 34± years remaining on the lease, the reversion at the end of the 34 year term would be:

456,291 sq. ft. @ \$9.00/sq. ft. = \$4,106,619

Assuming an increase in value of 1.5% per year over the 34± years remaining on the lease, the reversion at the end of the 34 year term would be:

\$4,106,619 increased by 1.5% per year for 34 years: \$6,812,866

Section I(iii) – Valuation – Parcel C – Leased Fee (continued)

Assuming no change in value would be less risky, and I estimate a discount rate of 7.5% for this scenario, indicating a reversionary value of:

Present value factor for a future value in 34 years discounted at 7.5%: 0.085529

$\$4,106,619.00 \times 0.085529 = \$351,235.00$

Assuming a 1.5% per year increase in value would entail greater risk, and I estimate a discount rate of 10% for this scenario, indicating a reversionary value of:

Present value factor for a future value in 34 years discounted at 10%: 0.039143

$\$6,812,866.00 \times 0.039143 = \$266,676.00$

Based on the preceding, my opinion of the market value of the leased fee interest in Parcel C, the 10.475± acre portion of the subject property leased to the Healing Place, not considering the December 2012 lease from the State to the City of Raleigh, as though unaffected by environmental contamination, as of July 9, 2013 was -

\$300,000.00

SECTION I VALUE SUMMARY

Estimated market value of the fee simple interest in Parcel A, the 237.475± acre portion of the subject property unencumbered by lease for the Soccer Fields and the Healing Place, as though unencumbered by the December 2012 lease from the State to the City of Raleigh, as though unaffected by environmental contamination, as of July 9, 2013 was -

\$37,449,500.00

Estimated market value of the leased fee interest in Parcel B, the 60± acre portion of the subject property leased for Soccer Fields, not considering the December 2012 lease from the State to the City of Raleigh, as though unaffected by environmental contamination, assuming the subsoil will support normal construction at the termination of the lease, as of July 9, 2013 was -

180,000.00

Estimated market value of the leased fee interest in Parcel C, the 10.475± acre portion of the subject property leased to the Healing Place, not considering the December 2012 lease from the State to the City of Raleigh, as though unaffected by environmental contamination, as of July 9, 2013 was -

300,000.00

Total estimated market value of the fee simple interest in Parcel A, the leased fee interest in Parcel B, and the leased fee interest in Parcel C, all not considering the December 2012 lease from the State to the City of Raleigh, as though unaffected by environmental contamination, as of July 9, 2013 was -

\$37,929,500.00

SECTION II

The purpose of this section of the appraisal is to estimate the market value of the State's leased fee interest in the 307.95± acre subject property under the terms of the December 2012 lease from the State to the City of Raleigh, fully considering the existing leases for the Soccer Fields and the Healing Place.

The rent for the existing leases for the 60± acre Soccer Fields and the 10.475± acre Healing Place was basically \$1 over the term or renewal term. The State has no measurable leased fee interest under these leases in consideration of the December 2012 lease to the City of Raleigh which "wrapped" these leases. In December 2012, the entire property, 307.95± acres, was leased to the City of Raleigh, subordinate to the Soccer Fields and Healing Place leases, and upon termination of these subordinate leases, the Soccer Fields and Healing Place lands will be under the 2012 lease to the City. A copy of the December 2012 lease from the State to the City can be seen in the *Addenda*. The lease is summarized as follows:

Lessor:	State of North Carolina
Lessee:	City of Raleigh
Leased Premises:	307.95± acres according to furnished survey, excluding the 40.3± acre "Retained Premises" for a period not to exceed 15 years
Lease Term:	Initial term: 75 years commencing December 31, 2012, terminating December 30, 2087 Renewal period: 24 years
Retained Premises Term:	Maximum of 15 years commencing on December 31, 2012, terminating December 30, 2027, at which time retained premises will be surrendered to Lessee for remainder of lease. Lessor may surrender Retained Premises earlier than 15 years. For purposes of this appraisal, in accordance with the appraisal instructions, I am assuming the Retained Premises Term will last 15 years beginning on the Commencement Date of the lease and terminating on the Retained Premises Termination Date.
Base Rent:	\$500,000 annually, with 1.5% annual increases over preceding year's rent
Rent Adjustment:	Annual rent to be reduced by the percentage by which the land comprising the retained premises bears to the total land area under lease (40.3 acres/307.95 acres = 13.09%).
Permitted Use:	Development, construction, operation and maintenance of a Destination Park in accordance with the Master Plan and no part shall be used for any other purpose without the prior written consent of the State.
Master Plan:	Lessee to prepare Master Plan for the repurposing and development of all the land into a destination park, and shall begin implementation of the plan before the 11 th anniversary of the lease commencement date.

Section II – Valuation of State’s Leased Fee Interest (continued)

Maintenance:	During the Retained Premises Term, Lessor to maintain those portions of Leased Premises not comprising a Park Component. During Retained Premises Term, Lessee to maintain those portions of the Leased Premises comprised of Park Component(s). After expiration of Retained Premises Term, Lessee shall assume all maintenance.
Utilities:	During the Retained Premises Term, Lessor to be responsible for utilities to those portions of Leased Premises not comprising a Park Component. During Retained Premises Term, Lessee to be responsible for utilities to those portion of Leased Premises comprising a Park Component. After expiration of Retained Premises Term, Lessee shall assume responsibility for all utilities.
Maintenance:	(§6.2 and 6.3) During the Retained Premises Term, the Lessor is to maintain those portions of the land not comprising a Park Component. It is assumed all the area outside the Retained Premises is a Park Component, and therefore the responsibility of the Lessee. After the Retained Premises Term, the Lessee is responsible for all maintenance. (§7.5) During the Retained Premises Term, the Lessor is to maintain existing streets, sidewalks, curbs, gutters and drainage structures throughout the land, provided that Lessee is responsible for maintenance necessitated by the use thereof by Lessee.
Assignment/Sublease:	Lease may not be assigned nor the Leased Premises subleased by Lessee without written approval of State.

The market value of the State’s leased fee interest in the December 2012 lease to the City of Raleigh is basically the present value of the right to receive the net rental income over the term of the lease and the property reversion at the end of the lease. In my opinion, the contract rent for the subject property is below market (see *Market Rent Projection* on page 68), therefore, it is probable the Lessee would extend the lease to include the renewal term. The State’s income stream over the 99-year term, “Rent,” and final reversion of the subject property at the lease termination can be seen on the *Leased Fee Valuation Analysis* on the following page. The reversion of \$238,765,825.32 is taken from the *Market Rent Projection* on page 68 (market value of the property in the 99th year).

Because the Retained Premises remains with the State and is not part of the Leased Premises during the Retained Premises Term, it would be inappropriate to deduct expense for the maintenance of these premises in valuing the State’s leased fee interest. Conversely, in the valuation of the leasehold interest (following Section III) it would be inappropriate to include market rent for the Retained Premises as a factor because the Retained Premises are not part of the Leased Premises during the Retained Premises Term. The State is, however, responsible for maintenance of existing streets, sidewalks, curbs, gutters and drainage structures throughout the land, provided that Lessee is responsible for maintenance necessitated by the use thereof by Lessee. I am assuming the City, the Lessee, will be using a portion of these street improvements

LEASED FEE VALUATION ANALYSIS

		Annual Rental Period (\$4.2 of Lease)		Base Rent (\$4.1); (\$4.3)	Annual Increased Rent (\$4.3)	Rent Adjustment (\$4.4)	"Rent" (\$4.4)	Street Maintenance	Net Income	Discount Rate	Net Present Value	
		Begin	End	Unadjusted	Unadjusted Base Rent at Beginning of Annual Rental Period x 1.015	40.3 ac ÷ 307.95 ac = .1309 .1309 x Base Rent	Annual Increased Rent Minus Rent Adjustment	\$7,500 Increased 1.5%/Year	Rent Minus Street Maintenance			
Retained Premises Term	1	12/31/2012	12/30/2013	\$500,000			(\$65,450.00)	\$434,550.00	\$7,500.00	\$427,050.00	7.00%	\$8,611,053.54 Rounded to \$8,611,100.00
	2	12/31/2013	12/30/2014		\$507,500.00		(\$66,431.75)	\$441,068.25	\$7,612.50	\$433,455.75		
	3	12/31/2014	12/30/2015		\$515,112.50		(\$67,428.23)	\$447,684.27	\$7,726.69	\$439,957.59		
	4	12/31/2015	12/30/2016		\$522,839.19		(\$68,439.65)	\$454,399.54	\$7,842.59	\$446,556.95		
	5	12/31/2016	12/30/2017		\$530,681.78		(\$69,466.24)	\$461,215.53	\$7,960.23	\$453,255.30		
	6	12/31/2017	12/30/2018		\$538,642.00		(\$70,508.24)	\$468,133.76	\$8,079.63	\$460,054.13		
	7	12/31/2018	12/30/2019		\$546,721.63		(\$71,565.86)	\$475,155.77	\$8,200.82	\$466,954.95		
	8	12/31/2019	12/30/2020		\$554,922.46		(\$72,639.35)	\$482,283.11	\$8,323.84	\$473,959.27		
	9	12/31/2020	12/30/2021		\$563,246.29		(\$73,728.94)	\$489,517.35	\$8,448.69	\$481,068.66		
	10	12/31/2021	12/30/2022		\$571,694.99		(\$74,834.87)	\$496,860.11	\$8,575.42	\$488,284.69		
	11	12/31/2022	12/30/2023		\$580,270.41		(\$75,957.40)	\$504,313.02	\$8,704.06	\$495,608.96		
	12	12/31/2023	12/30/2024		\$588,974.47		(\$77,096.76)	\$511,877.71	\$8,834.62	\$503,043.09		
	13	12/31/2024	12/30/2025		\$597,809.09		(\$78,253.21)	\$519,555.88	\$8,967.14	\$510,588.74		
	14	12/31/2025	12/30/2026		\$606,776.22		(\$79,427.01)	\$527,349.21	\$9,101.64	\$518,247.57		
	15	12/31/2026	12/30/2027		\$615,877.87		(\$80,618.41)	\$535,259.45	\$9,238.17	\$526,021.28		
	16	12/31/2027	12/30/2028		\$625,116.03		\$625,116.03		\$625,116.03			
	17	12/31/2028	12/30/2029		\$634,492.77		\$634,492.77		\$634,492.77			
	18	12/31/2029	12/30/2030		\$644,010.17		\$644,010.17		\$644,010.17			
	19	12/31/2030	12/30/2031		\$653,670.32		\$653,670.32		\$653,670.32			
	20	12/31/2031	12/30/2032		\$663,475.37		\$663,475.37		\$663,475.37			
	21	12/31/2032	12/30/2033		\$673,427.50		\$673,427.50		\$673,427.50			
	22	12/31/2033	12/30/2034		\$683,528.92		\$683,528.92		\$683,528.92			
	23	12/31/2034	12/30/2035		\$693,781.85		\$693,781.85		\$693,781.85			
	24	12/31/2035	12/30/2036		\$704,188.58		\$704,188.58		\$704,188.58			
	25	12/31/2036	12/30/2037		\$714,751.41		\$714,751.41		\$714,751.41			
	26	12/31/2037	12/30/2038		\$725,472.68		\$725,472.68		\$725,472.68			
	27	12/31/2038	12/30/2039		\$736,354.77		\$736,354.77		\$736,354.77			
	28	12/31/2039	12/30/2040		\$747,400.09		\$747,400.09		\$747,400.09			
	29	12/31/2040	12/30/2041		\$758,611.09		\$758,611.09		\$758,611.09			
	30	12/31/2041	12/30/2042		\$769,990.26		\$769,990.26		\$769,990.26			
	31	12/31/2042	12/30/2043		\$781,540.11		\$781,540.11		\$781,540.11			
	32	12/31/2043	12/30/2044		\$793,263.21		\$793,263.21		\$793,263.21			
	33	12/31/2044	12/30/2045		\$805,162.16		\$805,162.16		\$805,162.16			
	34	12/31/2045	12/30/2046		\$817,239.59		\$817,239.59		\$817,239.59			
	35	12/31/2046	12/30/2047		\$829,498.19		\$829,498.19		\$829,498.19			
	36	12/31/2047	12/30/2048		\$841,940.66		\$841,940.66		\$841,940.66			
	37	12/31/2048	12/30/2049		\$854,569.77		\$854,569.77		\$854,569.77			
	38	12/31/2049	12/30/2050		\$867,388.32		\$867,388.32		\$867,388.32			
	39	12/31/2050	12/30/2051		\$880,399.14		\$880,399.14		\$880,399.14			
	40	12/31/2051	12/30/2052		\$893,605.13		\$893,605.13		\$893,605.13			
	41	12/31/2052	12/30/2053		\$907,009.20		\$907,009.20		\$907,009.20			
	42	12/31/2053	12/30/2054		\$920,614.34		\$920,614.34		\$920,614.34			
	43	12/31/2054	12/30/2055		\$934,423.56		\$934,423.56		\$934,423.56			
	44	12/31/2055	12/30/2056		\$948,439.91		\$948,439.91		\$948,439.91			
	45	12/31/2056	12/30/2057		\$962,666.51		\$962,666.51		\$962,666.51			
	46	12/31/2057	12/30/2058		\$977,106.51		\$977,106.51		\$977,106.51			
	47	12/31/2058	12/30/2059		\$991,763.10		\$991,763.10		\$991,763.10			
	48	12/31/2059	12/30/2060		\$1,006,639.55		\$1,006,639.55		\$1,006,639.55			
	49	12/31/2060	12/30/2061		\$1,021,739.14		\$1,021,739.14		\$1,021,739.14			
	50	12/31/2061	12/30/2062		\$1,037,065.23		\$1,037,065.23		\$1,037,065.23			
	51	12/31/2062	12/30/2063		\$1,052,621.21		\$1,052,621.21		\$1,052,621.21			
	52	12/31/2063	12/30/2064		\$1,068,410.53		\$1,068,410.53		\$1,068,410.53			
	53	12/31/2064	12/30/2065		\$1,084,436.69		\$1,084,436.69		\$1,084,436.69			
	54	12/31/2065	12/30/2066		\$1,100,703.24		\$1,100,703.24		\$1,100,703.24			
	55	12/31/2066	12/30/2067		\$1,117,213.79		\$1,117,213.79		\$1,117,213.79			
	56	12/31/2067	12/30/2068		\$1,133,971.99		\$1,133,971.99		\$1,133,971.99			
	57	12/31/2068	12/30/2069		\$1,150,981.57		\$1,150,981.57		\$1,150,981.57			
	58	12/31/2069	12/30/2070		\$1,168,246.30		\$1,168,246.30		\$1,168,246.30			
	59	12/31/2070	12/30/2071		\$1,185,769.99		\$1,185,769.99		\$1,185,769.99			
	60	12/31/2071	12/30/2072		\$1,203,556.54		\$1,203,556.54		\$1,203,556.54			
	61	12/31/2072	12/30/2073		\$1,221,609.89		\$1,221,609.89		\$1,221,609.89			
	62	12/31/2073	12/30/2074		\$1,239,934.04		\$1,239,934.04		\$1,239,934.04			
	63	12/31/2074	12/30/2075		\$1,258,533.05		\$1,258,533.05		\$1,258,533.05			
	64	12/31/2075	12/30/2076		\$1,277,411.04		\$1,277,411.04		\$1,277,411.04			
	65	12/31/2076	12/30/2077		\$1,296,572.21		\$1,296,572.21		\$1,296,572.21			
	66	12/31/2077	12/30/2078		\$1,316,020.79		\$1,316,020.79		\$1,316,020.79			
	67	12/31/2078	12/30/2079		\$1,335,761.10		\$1,335,761.10		\$1,335,761.10			
	68	12/31/2079	12/30/2080		\$1,355,797.52		\$1,355,797.52		\$1,355,797.52			
	69	12/31/2080	12/30/2081		\$1,376,134.48		\$1,376,134.48		\$1,376,134.48			
	70	12/31/2081	12/30/2082		\$1,396,776.50		\$1,396,776.50		\$1,396,776.50			
	71	12/31/2082	12/30/2083		\$1,417,728.15		\$1,417,728.15		\$1,417,728.15			
	72	12/31/2083	12/30/2084		\$1,438,994.07		\$1,438,994.07		\$1,438,994.07			
	73	12/31/2084	12/30/2085		\$1,460,578.98		\$1,460,578.98		\$1,460,578.98			
	74	12/31/2085	12/30/2086		\$1,482,487.67		\$1,482,487.67		\$1,482,487.67			
	75	12/31/2086	12/30/2087		\$1,504,724.98		\$1,504,724.98		\$1,504,724.98			
	76	12/31/2087	12/30/2088		\$1,527,295.85		\$1,527,295.85		\$1,527,295.85			
	77	12/31/2088	12/30/2089		\$1,550,205.29		\$1,550,205.29		\$1,550,205.29			
	78	12/31/2089	12/30/2090		\$1,573,458.37		\$1,573,458.37		\$1,573,458.37			
	79	12/31/2090	12/30/2091		\$1,597,060.25		\$1,597,060.25		\$1,597,060.25			
	80	12/31/2091	12/30/2092		\$1,621,016.15		\$1,621,016.15		\$1,621,016.15			
	81	12/31/2092	12/30/2093		\$1,645,331.39		\$1,645,331.39		\$1,645,331.39			
	82	12/31/2093	12/30/2094		\$1,670,011.36		\$1,670,011.36		\$1,670,011.36			
	83	12/31/2094	12/30/2095		\$1,695,061.53		\$1,695,061.53		\$1,695,061.53			
	84	12/31/2095	12/30/2096		\$1,720,487.46		\$1,720,487.46		\$1,720,487.46			
	85	12/31/2096	12/30/2097		\$1,746,294.77		\$1,746,294.77		\$1,746,294.77			
	86	12/31/2097	12/30/2098		\$1,772,489.19		\$1,772,489.19		\$1,772,489.19			
	87	12/31/2098	12/30/2099		\$1,799,076.53		\$1,799,076.53		\$1,799,076.53			
	88	12/31/2099	12/30/2100		\$1,826,062.68		\$1,826,062.68		\$1,826,062.68			
	89	12/31/2100	12/30/2101		\$1,853,453.62		\$1,853,453.62		\$1,853,453.62			
	90	12/31/2101	12/30/2102		\$1,881,255.42		\$1,881,255.42		\$1,881,255.42			
	91	12/31/2102	12/30/2103		\$1,909,474.25		\$1,909,474.25		\$1,909,474.25			
	92	12/31/2103	12/30/2104		\$1,938,116.37		\$1,938,116.37		\$1,938,116.37			
	93	12/31/2104	12/30/2105		\$1,967,188.11		\$1,967,188.11		\$1,967,188.11			
	94	12/31/2105	12/30/2106		\$1,996,695.93		\$1,996,695.93		\$1,996,695.93			
	95	12/31/2106	12/30/2107		\$2,026,646.37		\$2,026,646.37		\$2,026,646.37			
	96	12/31/2107	12/30/2108		\$2,057,046.07		\$2,057,046.07		\$2,057,046.07			
	97	12/31/2108	12/30/2109		\$2,087,901.76		\$2,087,901.76		\$2,087,901.76			
	98	12/31/2109	12/30/2110		\$2,119,220.29		\$2,119,220.29		\$2,119,220.29			
	99	12/31/2110	12/30/2111		\$2,151,008.59		\$2,151,008.59		\$240,916,833.91	\$2,151,008.59 rent + \$238,765,825.32 reversion		

Section II – Valuation of State’s Leased Fee Interest (continued)

during the Retained Premises Term, and am, therefore, estimating the Lessor will be responsible for half the street maintenance expense and the Lessee will be responsible for half the expense during the Retained Premises Term. Studies compiled by the International City/County Management Association (ICMA) and by the Midwest Regional University Transportation Center, University of Wisconsin, indicate typical road maintenance costs range from approximately \$1,500 to \$4,800 per lane mile. I roughly estimate there are approximately 3± miles of existing roadways on the subject ownership, or (3 miles x 2 lanes) about 6 lane miles. I have estimated total street maintenance expense at \$2,500 per lane mile annually, to increase by 1.5% per year, or:

6 lane miles @ \$2,500.00/lane mile = \$15,000.00
\$15,000/2 = \$7,500 each to Lessor and Lessee for street maintenance the first year of the lease
(to increase by 1.5% per year thereafter)

The net income stream and reversion is discounted to derive the market value of the State’s leased fee interest. “A discount rate reflects the relationship between income and the value that a market will attribute to that income.” ... “The rate of return on investment combines a safe rate with a premium to compensate the investor for risk, the illiquidity of invested capital, and management involvement. The rate of return on capital ... should reflect the competition for capital among alternative investments of comparable risk.”¹⁰

As of date of value, the prime rate was approximately 3.25%; the bond yield for a U.S. 30-year bond was approximately 3.40%; the bond yield for corporate Aaa bonds was 4.27%. These are all considered relatively “safe” rates. The bond yield for corporate Baa bonds, which carry somewhat more risk, was 5.19%. As reported in the *PwC Real Estate Investor Survey Second Quarter 2013*, discount rates for regional mall properties (real estate) ranged from 5.5% to 12.00%, with the average being 8.75%; for CBD office ranged from 5.25% to 11.00%, with the average being 8.16%; for warehouse ranged from 5.75% to 9.50%, with the average being 7.49%; and for apartment properties ranged from 5.00% to 14.00%, with the average being 8.04%. These average discount or yield rates ranged from 7.49% to 8.75%, reflective of the increased risk and illiquidity of a real estate investment. Generally, the yield rate relationship would be: Yield Rate _{Leased Fee} < Yield Rate _{Fee Simple} < Yield Rate _{Leasehold}

Because the lease is at a significantly below market rental rate, it is reasonable to assume the Lessee, the City of Raleigh, will continue to pay the contract rent over the entire term of the lease, and the State has a somewhat limited risk with respect to its leased fee interest. The lease term, however, is lengthy and it becomes increasingly difficult to predict the market the longer the duration of the income stream. The reversion is almost impossible to predict, but it is so far in the future that when discounted to present value, the prediction is not critical to the valuation. Considering the preceding, my opinion of an appropriate discount rate to apply to the valuation of the State’s leased fee interest would be greater than a Baa corporate bond rate, but less than a market real estate rate, and I am estimating an appropriate discount rate for the leased fee interest at date of value to be 7%. A spreadsheet showing the valuation of the State’s leased fee interest can be seen on the facing page.

Section II – Valuation of State’s Leased Fee Interest (continued)

Based on my analysis, my opinion of the market value of the State’s leased fee interest in the 307.95± acre subject property under the terms of the December 2012 lease from the State to the City of Raleigh, fully considering the existing leases for the Soccer Fields and the Healing Place, as though unaffected by environmental contamination, assuming the subsoil will support normal construction at the termination of the Soccer Fields lease, as of July 9, 2013 was -

\$8,611,100.00

COMPARABLE GROUND LEASE SUMMARY

LEASE NO.	LEASE DATE	LEASE TERM	RENTAL RATE	REMARKS
L-1	July 2004	40 years	Based on 10% of market value of site with annual 3% increases	10± acre big box site in Wilmington, NC
L-2	December 2009	20 years	Based on 10% of market value of site and cost of site improvements	15+ acre big box site in Wilmington, NC
L-3	March 2009	20 years with several 5 year renewal options	Based on approximately 10% of market value of site. Rent increases every 5 years by about 10%.	16+ acre big box site in Banner Elk, NC
L-4	February 2010	20 years with three 10-year renewal options	Based on 10% of market value of site with annual 3.75% increases	19+ acre medical office/clinic site in Wilmington, NC
L-5	January 2006	30 years	Based on 10% of market value of site. Flat for 10 years, then increases in 2016.	20+ acre industrial site in New Hanover County
L-6	Various – 10 leases	65 years	3 to 10 acre sites. All based on 8.5% of market value.	NCSU Centennial Campus
LO-7	Current offering	Long term - 50± years	Asking sale price: \$875,000 Asking rent: \$75,000/year (8.6%)	1.3± acre outparcel, Apex, NC
LO-8	Current offering	Long term - 50± years	Asking sale price: \$318,000/acre Asking rent: \$40,000/year/acre (12.6%)	1 to 2.51± acre outparcels in Winston-Salem, NC
LO-9	Current offering	Long term - 50± years	Asking sale price: \$1,908,000 Asking rent: \$190,800/year (10%)	23.85± acre mixed use site, Old Poole Rd, Raleigh
LO-10	Current offering	Long term - 50± years	Asking sale price: \$750,000 Asking rent: \$48,000 (6.4%)	0.60± acre small commercial outparcel at US 401 N at Fox Rd, Raleigh
LO-11	Current offering	Long term – 50± to 99± years	Asking rental rate: 8% of land value	5± to 305± acres mixed use land, Jacksonville, NC

SECTION III

The purpose of this section of the appraisal is to estimate the market value of the City's leasehold interest in the subject property under the terms of the December 2012 lease from the State to the City of Raleigh, fully considering the existing leases for the Soccer Fields and the Healing Place.

I have estimated the market rent for the subject property as though the property could be developed to its highest and best use. The market value of the City's leasehold interest in the subject property is basically the present value of the right to receive the net rental advantage, i.e., the difference between market rent and the contract rent under the lease, for the lease term. In order to estimate market rent for the subject property, I conducted a search for ground lease rental data. An abbreviated summary of my findings can be seen on the facing page. Much of the information on these leases was given to me confidentially and so I have not disclosed more detailed data. It is typical in the market for long term ground lease rates to be based on a percentage of return on the market value of the land being leased. The actual rental rates I was able to find, all prior to date of value, ranged from 8.5% to 10% of the land value. The asking rental rates, all current offerings, ranged from 6.4% to 12.6%, with the average being about 9%. The Centennial Campus of NCSU has leased multiple sites at 8.5% and are asking 8.5%. Based on the preceding, my opinion of the estimated market rent for the subject property is **8.5% of the estimated market value of the land net**, or $(\$182,000/\text{acre} \times .085)$ \$15,470 per acre for the initial year of the lease term.

The 40.3± acre retained premises are delineated on the furnished *Retained Premises Map*. These premises include building footprints and parking lot footprints, but not the land between. In my opinion, by scaling the map, the total land area encumbered by the retained premises is approximately 100± acres. (See *Map of Approximate Area Encumbered by Retained Premises* on the following page.) This appraisal is based on the assumption the City will have no use of these lands for 15 years, until December 2027, therefore, I have not included this area in my estimate of market rent over the Retained Premises Term.

The City will have no use of the 10.475± acres leased to The Healing Place until the termination of the Healing Place lease in December 2047, therefore, I have not included this area in my estimate of market rent for the duration of this lease.

It is assumed the 60± acre Soccer Fields land leased to the City will not be developable until the Soccer Fields lease termination in December 2066, and these lands would not command any market rent during this lease.

Finally, it is assumed the 3± acre cemetery has no market rent.

As discussed in the preceding Section II leased fee valuation, I have estimated the City would be responsible for half the street maintenance expense, or \$7,500 annually to increase by 1.5% per year. The City will be responsible for demolition of the improvements at the end of the Retained Premises Term. As discussed on page 54, demolition cost at date of value is estimated at \$5,225,000. I have increased this estimate by 1.5% per year to arrive at a \$6,532,463 estimate of demolition cost in Year 16, at the end of the Retained Premises Term.



MAP OF APPROXIMATE AREA ENCUMBERED BY RETAINED PREMISES

Section III – Valuation of City of Raleigh’s Leasehold Interest (continued)

The net rental advantage over the lease term is discounted to derive the market value of the City’s leasehold interest. As of date of value, the prime rate was approximately 3.25%; the bond yield for a U.S. 30-year bond was approximately 3.40%; the bond yield for corporate Aaa bonds was 4.27%. These are all considered relatively “safe” rates. The bond yield for corporate Baa bonds, which carry somewhat more risk, was 5.19%. As reported in the *PwC Real Estate Investor Survey Second Quarter 2013*, discount rates for regional mall properties (real estate) ranged from 5.5% to 12.00%, with the average being 8.75%; for CBD office ranged from 5.25% to 11.00%, with the average being 8.16%; for warehouse ranged from 5.75% to 9.50%, with the average being 7.49%; and for apartment properties ranged from 5.00% to 14.00%, with the average being 8.04%. These average discount or yield rates ranged from 7.49% to 8.75%, reflective of the increased risk and illiquidity of a real estate investment. Generally, the yield rate relationship would be: $\text{Yield Rate}_{\text{Leased Fee}} < \text{Yield Rate}_{\text{Fee Simple}} < \text{Yield Rate}_{\text{Leasehold}}$

Because the lease is at a significantly below market rental rate, it is reasonable to assume the Lessee, the City of Raleigh, will continue to pay the contract rent over the entire term of the lease. The lease term, however, is lengthy and it becomes increasingly difficult to predict the market the longer the duration of the income stream. A relatively small shift in market rent can have a substantial impact on the rental advantage and correspondingly on the value of the leasehold interest. Also, typically, as a leasehold approaches expiration, its marketability declines as does the ability to finance, and risk rises significantly. Considering the preceding, my opinion of an appropriate discount rate to apply to the valuation of the City’s leasehold interest would be greater than a market real estate rate, and I am estimating an appropriate discount rate for the leasehold interest at date of value to be **10%**.

The *Market Rent Projection* and *Leasehold Valuation Analysis* based on the preceding can be seen on the following pages.

Based on my analysis, my opinion of the market value of the City of Raleigh’s leasehold interest in the subject property under the terms of the December 2012 lease from the State to the City of Raleigh, fully considering the existing leases for the Soccer Fields and the Healing Place, as of July 9, 2013, was -

\$23,334,200.00

MARKET RENT PROJECTION								
		Annual Rental Period (\$4.2 of Lease)		Acreage	Market Value per Acre	Market Value	Market Rental Rate	Market Rent
		<i>Begin</i>	<i>End</i>					
Retained Premises Term	1	12/31/2012	12/30/2013	134.475	\$182,000.00	\$24,474,450.00	8.50%	\$2,080,328.25
	2	12/31/2013	12/30/2014	134.475	\$184,730.00	\$24,841,566.75	8.50%	\$2,111,533.17
	3	12/31/2014	12/30/2015	134.475	\$187,500.95	\$25,214,190.25	8.50%	\$2,143,206.17
	4	12/31/2015	12/30/2016	134.475	\$190,313.46	\$25,592,403.11	8.50%	\$2,175,354.26
	5	12/31/2016	12/30/2017	134.475	\$193,168.17	\$25,976,289.15	8.50%	\$2,207,984.58
	6	12/31/2017	12/30/2018	134.475	\$196,065.69	\$26,365,933.49	8.50%	\$2,241,104.35
	7	12/31/2018	12/30/2019	134.475	\$199,006.67	\$26,761,422.49	8.50%	\$2,274,720.91
	8	12/31/2019	12/30/2020	134.475	\$201,991.77	\$27,162,843.83	8.50%	\$2,308,841.73
	9	12/31/2020	12/30/2021	134.475	\$205,021.65	\$27,570,286.49	8.50%	\$2,343,474.35
	10	12/31/2021	12/30/2022	134.475	\$208,096.98	\$27,983,840.78	8.50%	\$2,378,626.47
	11	12/31/2022	12/30/2023	134.475	\$211,218.43	\$28,403,598.40	8.50%	\$2,414,305.86
	12	12/31/2023	12/30/2024	134.475	\$214,386.71	\$28,829,652.37	8.50%	\$2,450,520.45
	13	12/31/2024	12/30/2025	134.475	\$217,602.51	\$29,262,097.16	8.50%	\$2,487,278.26
	14	12/31/2025	12/30/2026	134.475	\$220,866.54	\$29,701,028.61	8.50%	\$2,524,587.43
	15	12/31/2026	12/30/2027	134.475	\$224,179.54	\$30,146,544.04	8.50%	\$2,562,456.24
	16	12/31/2027	12/30/2028	234.475	\$227,542.24	\$53,352,965.82	8.50%	\$4,535,002.09
	17	12/31/2028	12/30/2029	234.475	\$230,955.37	\$54,153,260.30	8.50%	\$4,603,027.13
	18	12/31/2029	12/30/2030	234.475	\$234,419.70	\$54,965,559.21	8.50%	\$4,672,072.53
	19	12/31/2030	12/30/2031	234.475	\$237,936.00	\$55,790,042.60	8.50%	\$4,742,153.62
	20	12/31/2031	12/30/2032	234.475	\$241,505.04	\$56,626,893.24	8.50%	\$4,813,285.93
	21	12/31/2032	12/30/2033	234.475	\$245,127.61	\$57,476,296.63	8.50%	\$4,885,485.21
	22	12/31/2033	12/30/2034	234.475	\$248,804.53	\$58,338,441.08	8.50%	\$4,958,767.49
	23	12/31/2034	12/30/2035	234.475	\$252,536.59	\$59,213,517.70	8.50%	\$5,033,149.00
	24	12/31/2035	12/30/2036	234.475	\$256,324.64	\$60,101,720.47	8.50%	\$5,108,646.24
	25	12/31/2036	12/30/2037	234.475	\$260,169.51	\$61,003,246.27	8.50%	\$5,185,275.93
	26	12/31/2037	12/30/2038	234.475	\$264,072.05	\$61,918,294.97	8.50%	\$5,263,055.07
	27	12/31/2038	12/30/2039	234.475	\$268,033.14	\$62,847,069.39	8.50%	\$5,342,000.90
	28	12/31/2039	12/30/2040	234.475	\$272,053.63	\$63,789,775.43	8.50%	\$5,422,130.91
	29	12/31/2040	12/30/2041	234.475	\$276,134.44	\$64,746,622.06	8.50%	\$5,503,462.88
	30	12/31/2041	12/30/2042	234.475	\$280,276.45	\$65,717,821.39	8.50%	\$5,586,014.82
	31	12/31/2042	12/30/2043	234.475	\$284,480.60	\$66,703,588.72	8.50%	\$5,669,805.04
	32	12/31/2043	12/30/2044	234.475	\$288,747.81	\$67,704,142.55	8.50%	\$5,754,852.12
	33	12/31/2044	12/30/2045	234.475	\$293,079.03	\$68,719,704.68	8.50%	\$5,841,174.90
	34	12/31/2045	12/30/2046	234.475	\$297,475.21	\$69,750,500.25	8.50%	\$5,928,792.52
	35	12/31/2046	12/30/2047	234.475	\$301,937.34	\$70,796,757.76	8.50%	\$6,017,724.41
	36	12/31/2047	12/30/2048	244.95	\$306,466.40	\$75,068,944.66	8.50%	\$6,380,860.30
	37	12/31/2048	12/30/2049	244.95	\$311,063.40	\$76,194,978.83	8.50%	\$6,476,573.20
	38	12/31/2049	12/30/2050	244.95	\$315,729.35	\$77,337,903.52	8.50%	\$6,573,721.80
	39	12/31/2050	12/30/2051	244.95	\$320,465.29	\$78,497,972.07	8.50%	\$6,672,327.63
	40	12/31/2051	12/30/2052	244.95	\$325,272.27	\$79,675,441.65	8.50%	\$6,772,412.54
	41	12/31/2052	12/30/2053	244.95	\$330,151.35	\$80,870,573.28	8.50%	\$6,873,998.73
	42	12/31/2053	12/30/2054	244.95	\$335,103.62	\$82,083,631.87	8.50%	\$6,977,108.71
	43	12/31/2054	12/30/2055	244.95	\$340,130.17	\$83,314,886.35	8.50%	\$7,081,765.34
	44	12/31/2055	12/30/2056	244.95	\$345,232.13	\$84,564,609.65	8.50%	\$7,187,991.82
	45	12/31/2056	12/30/2057	244.95	\$350,410.61	\$85,833,078.79	8.50%	\$7,295,811.70
	46	12/31/2057	12/30/2058	244.95	\$355,666.77	\$87,120,574.97	8.50%	\$7,405,248.87
	47	12/31/2058	12/30/2059	244.95	\$361,001.77	\$88,427,383.60	8.50%	\$7,516,327.61
	48	12/31/2059	12/30/2060	244.95	\$366,416.80	\$89,753,794.35	8.50%	\$7,629,072.52
	49	12/31/2060	12/30/2061	244.95	\$371,913.05	\$91,100,101.27	8.50%	\$7,743,508.61
	50	12/31/2061	12/30/2062	244.95	\$377,491.74	\$92,466,602.79	8.50%	\$7,859,661.24
	51	12/31/2062	12/30/2063	244.95	\$383,154.12	\$93,853,601.83	8.50%	\$7,977,556.16
	52	12/31/2063	12/30/2064	244.95	\$388,901.43	\$95,261,405.86	8.50%	\$8,097,219.50
	53	12/31/2064	12/30/2065	244.95	\$394,734.95	\$96,690,326.94	8.50%	\$8,218,677.79
	54	12/31/2065	12/30/2066	244.95	\$400,655.98	\$98,140,681.85	8.50%	\$8,341,957.96
	55	12/31/2066	12/30/2067	304.95	\$406,665.82	\$124,012,741.15	8.50%	\$10,541,083.00
	56	12/31/2067	12/30/2068	304.95	\$412,765.81	\$125,872,932.26	8.50%	\$10,699,199.24
	57	12/31/2068	12/30/2069	304.95	\$418,957.29	\$127,761,026.25	8.50%	\$10,859,687.23
	58	12/31/2069	12/30/2070	304.95	\$425,241.65	\$129,677,441.64	8.50%	\$11,022,582.54
	59	12/31/2070	12/30/2071	304.95	\$431,620.28	\$131,622,603.26	8.50%	\$11,187,921.28
	60	12/31/2071	12/30/2072	304.95	\$438,094.58	\$133,596,942.31	8.50%	\$11,355,740.10
	61	12/31/2072	12/30/2073	304.95	\$444,666.00	\$135,600,896.45	8.50%	\$11,526,076.20
	62	12/31/2073	12/30/2074	304.95	\$451,335.99	\$137,634,909.90	8.50%	\$11,698,967.34
	63	12/31/2074	12/30/2075	304.95	\$458,106.03	\$139,699,433.54	8.50%	\$11,874,451.85
	64	12/31/2075	12/30/2076	304.95	\$464,977.62	\$141,794,925.05	8.50%	\$12,052,568.63
	65	12/31/2076	12/30/2077	304.95	\$471,952.28	\$143,921,848.92	8.50%	\$12,233,357.16
	66	12/31/2077	12/30/2078	304.95	\$479,031.57	\$146,080,676.66	8.50%	\$12,416,857.52
	67	12/31/2078	12/30/2079	304.95	\$486,217.04	\$148,271,886.81	8.50%	\$12,603,110.38
	68	12/31/2079	12/30/2080	304.95	\$493,510.30	\$150,495,965.11	8.50%	\$12,792,157.03
	69	12/31/2080	12/30/2081	304.95	\$500,912.95	\$152,753,404.59	8.50%	\$12,984,039.39
	70	12/31/2081	12/30/2082	304.95	\$508,426.65	\$155,044,705.65	8.50%	\$13,178,799.98
	71	12/31/2082	12/30/2083	304.95	\$516,053.05	\$157,370,376.24	8.50%	\$13,376,481.98
	72	12/31/2083	12/30/2084	304.95	\$523,793.84	\$159,730,931.88	8.50%	\$13,577,129.21
	73	12/31/2084	12/30/2085	304.95	\$531,650.75	\$162,126,895.86	8.50%	\$13,780,786.15
	74	12/31/2085	12/30/2086	304.95	\$539,625.51	\$164,558,799.30	8.50%	\$13,987,497.94
	75	12/31/2086	12/30/2087	304.95	\$547,719.89	\$167,027,181.29	8.50%	\$14,197,310.41
	76	12/31/2087	12/30/2088	304.95	\$555,935.69	\$169,532,589.01	8.50%	\$14,410,270.07
	77	12/31/2088	12/30/2089	304.95	\$564,274.73	\$172,075,577.84	8.50%	\$14,626,424.12
	78	12/31/2089	12/30/2090	304.95	\$572,738.85	\$174,656,711.51	8.50%	\$14,845,820.48
	79	12/31/2090	12/30/2091	304.95	\$581,329.93	\$177,276,562.18	8.50%	\$15,068,507.79
	80	12/31/2091	12/30/2092	304.95	\$590,049.88	\$179,935,710.62	8.50%	\$15,294,535.40
	81	12/31/2092	12/30/2093	304.95	\$598,900.63	\$182,634,746.27	8.50%	\$15,523,953.43
	82	12/31/2093	12/30/2094	304.95	\$607,884.14	\$185,374,267.47	8.50%	\$15,756,812.73
	83	12/31/2094	12/30/2095	304.95	\$617,002.40	\$188,154,881.48	8.50%	\$15,993,164.93
	84	12/31/2095	12/30/2096	304.95	\$626,257.43	\$190,977,204.70	8.50%	\$16,233,062.40
	85	12/31/2096	12/30/2097	304.95	\$635,651.30	\$193,841,862.77	8.50%	\$16,476,558.34
	86	12/31/2097	12/30/2098	304.95	\$645,186.07	\$196,749,490.71	8.50%	\$16,723,706.71
	87	12/31/2098	12/30/2099	304.95	\$654,863.86	\$199,700,733.08	8.50%	\$16,974,562.31
	88	12/31/2099	12/30/2100	304.95	\$664,686.81	\$202,696,244.07	8.50%	\$17,229,180.75
	89	12/31/2100	12/30/2101	304.95	\$674,657.12	\$205,736,687.73	8.50%	\$17,487,618.46
	90	12/31/2101	12/30/2102	304.95	\$684,776.97	\$208,822,738.05	8.50%	\$17,749,932.73
	91	12/31/2102	12/30/2103	304.95	\$695,048.63	\$211,955,079.12	8.50%	\$18,016,181.73
	92	12/31/2103	12/30/2104	304.95	\$705,474.36	\$215,134,405.31	8.50%	\$18,286,424.45
	93	12/31/2104	12/30/2105	304.95	\$716,056.47	\$218,361,421.39	8.50%	\$18,560,720.82
	94	12/31/2105	12/30/2106	304.95	\$726,797.32	\$221,636,842.71	8.50%	\$18,839,131.63
	95	12/31/2106	12/30/2107	304.95	\$737,699.28	\$224,961,395.35	8.50%	\$19,121,718.60
	96	12/31/2107	12/30/2108	304.95	\$748,764.77	\$228,335,816.28	8.50%	\$19,408,544.38
	97	12/31/2108	12/30/2109	304.95	\$759,996.24	\$231,760,853.52	8.50%	\$19,699,672.55
	98	12/31/2109	12/30/2110	304.95	\$771,396.18	\$235,237,266.32	8.50%	\$19,995,167.64
	99	12/31/2110	12/30/2111	304.95	\$782,967.13	\$238,765,825.32	8.50%	\$20,295,095.15

LEASEHOLD VALUATION ANALYSIS

		Annual Rental Period (\$4.2 of Lease)		Base Rent (\$4.1); (\$4.3)	Annual Increased Rent (\$4.3)	Rent Adjustment (\$4.4)	"Rent" (\$4.4)	Acreage	Market Rent	Rental Advantage	Expenses	Net Rental Advantage	Discount Rate	Net Present Value	
		Begin	End	Unadjusted	<i>Unadjusted Base Rent at Beginning of Annual Rental Period x 1.015</i>	<i>40.3 ac ÷ 307.95 ac = .1309 .1309 x Base Rent</i>	<i>Annual Increased Rent Minus Rent Adjustment</i>	<i>Market Rent Starts with 8.5% of \$182,000/acre</i>	<i>Increases by 1.5% annually</i>	<i>Adjusted Market Rent Minus Rent</i>	<i>Street Maintenance Years 1-15 & Demolition Year 16</i>	<i>Rental Advantage Minus Expense</i>			
Retained Premises Term	1	12/31/2012	12/30/2013	\$500,000			(\$65,450.00)	\$434,550.00	134.475 acres	\$2,080,328.25	\$1,645,778.25	\$7,500.00	\$1,638,278.25	10.00%	\$23,334,243.29 Rounded to \$23,334,200.00
	2	12/31/2013	12/30/2014		\$507,500.00		(\$66,431.75)	\$441,068.25		\$2,111,533.17	\$1,670,464.92	\$7,612.50	\$1,662,852.42		
	3	12/31/2014	12/30/2015		\$515,112.50		(\$67,428.23)	\$447,684.27		\$2,143,206.17	\$1,695,521.90	\$7,726.69	\$1,687,795.21		
	4	12/31/2015	12/30/2016		\$522,839.19		(\$68,439.65)	\$454,399.54		\$2,175,354.26	\$1,720,954.73	\$7,842.59	\$1,713,112.14		
	5	12/31/2016	12/30/2017		\$530,681.78		(\$69,466.24)	\$461,215.53		\$2,207,984.58	\$1,746,769.05	\$7,960.23	\$1,738,808.82		
	6	12/31/2017	12/30/2018		\$538,642.00		(\$70,508.24)	\$468,133.76		\$2,241,104.35	\$1,772,970.58	\$8,079.63	\$1,764,890.95		
	7	12/31/2018	12/30/2019		\$546,721.63		(\$71,565.86)	\$475,155.77		\$2,274,720.91	\$1,799,565.14	\$8,200.82	\$1,791,364.32		
	8	12/31/2019	12/30/2020		\$554,922.46		(\$72,639.35)	\$482,283.11		\$2,308,841.73	\$1,826,558.62	\$8,323.84	\$1,818,234.78		
	9	12/31/2020	12/30/2021		\$563,246.29		(\$73,728.94)	\$489,517.35		\$2,343,474.35	\$1,853,957.00	\$8,448.69	\$1,845,508.30		
	10	12/31/2021	12/30/2022		\$571,694.99		(\$74,834.87)	\$496,860.11		\$2,378,626.47	\$1,881,766.35	\$8,575.42	\$1,873,190.93		
	11	12/31/2022	12/30/2023		\$580,270.41		(\$75,957.40)	\$504,313.02		\$2,414,305.86	\$1,909,992.85	\$8,704.06	\$1,901,288.79		
	12	12/31/2023	12/30/2024		\$588,974.47		(\$77,096.76)	\$511,877.71		\$2,450,520.45	\$1,938,642.74	\$8,834.62	\$1,929,808.12		
	13	12/31/2024	12/30/2025		\$597,809.09		(\$78,253.21)	\$519,555.88		\$2,487,278.26	\$1,967,722.38	\$8,967.14	\$1,958,755.25		
	14	12/31/2025	12/30/2026		\$606,776.22		(\$79,427.01)	\$527,349.21		\$2,524,587.43	\$1,997,238.22	\$9,101.64	\$1,988,136.57		
	15	12/31/2026	12/30/2027		\$615,877.87		(\$80,618.41)	\$535,259.45		\$2,562,456.24	\$2,027,196.79	\$9,238.17	\$2,017,958.62		
	16	12/31/2027	12/30/2028		\$625,116.03			\$625,116.03	234.475 acres	\$4,535,002.09	\$3,909,886.06	\$6,532,463.00	-\$2,622,576.94		
	17	12/31/2028	12/30/2029		\$634,492.77			\$634,492.77		\$4,603,027.12	\$3,968,534.35		\$3,968,534.35		
	18	12/31/2029	12/30/2030		\$644,010.17			\$644,010.17		\$4,672,072.53	\$4,028,062.36		\$4,028,062.36		
	19	12/31/2030	12/30/2031		\$653,670.32			\$653,670.32		\$4,742,153.62	\$4,088,483.30		\$4,088,483.30		
	20	12/31/2031	12/30/2032		\$663,475.37			\$663,475.37		\$4,813,285.92	\$4,149,810.55		\$4,149,810.55		
	21	12/31/2032	12/30/2033		\$673,427.50			\$673,427.50		\$4,885,485.21	\$4,212,057.71		\$4,212,057.71		
	22	12/31/2033	12/30/2034		\$683,528.92			\$683,528.92		\$4,958,767.49	\$4,275,238.57		\$4,275,238.57		
	23	12/31/2034	12/30/2035		\$693,781.85			\$693,781.85		\$5,033,149.00	\$4,339,367.15		\$4,339,367.15		
	24	12/31/2035	12/30/2036		\$704,188.58			\$704,188.58		\$5,108,646.23	\$4,404,457.66		\$4,404,457.66		
	25	12/31/2036	12/30/2037		\$714,751.41			\$714,751.41		\$5,185,275.93	\$4,470,524.52		\$4,470,524.52		
	26	12/31/2037	12/30/2038		\$725,472.68			\$725,472.68		\$5,263,055.07	\$4,537,582.39		\$4,537,582.39		
	27	12/31/2038	12/30/2039		\$736,354.77			\$736,354.77		\$5,342,000.89	\$4,605,646.13		\$4,605,646.13		
	28	12/31/2039	12/30/2040		\$747,400.09			\$747,400.09		\$5,422,130.91	\$4,674,730.82		\$4,674,730.82		
	29	12/31/2040	12/30/2041		\$758,611.09			\$758,611.09		\$5,503,462.87	\$4,744,851.78		\$4,744,851.78		
	30	12/31/2041	12/30/2042		\$769,990.26			\$769,990.26		\$5,586,014.81	\$4,816,024.56		\$4,816,024.56		
	31	12/31/2042	12/30/2043		\$781,540.11			\$781,540.11		\$5,669,805.04	\$4,888,264.93		\$4,888,264.93		
	32	12/31/2043	12/30/2044		\$793,263.21			\$793,263.21		\$5,754,852.11	\$4,961,588.90		\$4,961,588.90		
	33	12/31/2044	12/30/2045		\$805,162.16			\$805,162.16		\$5,841,174.89	\$5,036,012.73		\$5,036,012.73		
	34	12/31/2045	12/30/2046		\$817,239.59			\$817,239.59		\$5,928,792.52	\$5,111,552.92		\$5,111,552.92		
	35	12/31/2046	12/30/2047		\$829,498.19			\$829,498.19		\$6,017,724.40	\$5,188,226.22		\$5,188,226.22		
	36	12/31/2047	12/30/2048		\$841,940.66			\$841,940.66	244.95 acres	\$6,380,860.30	\$5,538,919.64		\$5,538,919.64		
	37	12/31/2048	12/30/2049		\$854,569.77			\$854,569.77		\$6,476,573.20	\$5,622,003.44		\$5,622,003.44		
	38	12/31/2049	12/30/2050		\$867,388.32			\$867,388.32		\$6,573,721.80	\$5,706,333.49		\$5,706,333.49		
	39	12/31/2050	12/30/2051		\$880,399.14			\$880,399.14		\$6,672,327.63	\$5,791,928.49		\$5,791,928.49		
	40	12/31/2051	12/30/2052		\$893,605.13			\$893,605.13		\$6,772,412.54	\$5,878,807.42		\$5,878,807.42		
	41	12/31/2052	12/30/2053		\$907,009.20			\$907,009.20		\$6,873,998.73	\$5,966,989.53		\$5,966,989.53		
	42	12/31/2053	12/30/2054		\$920,614.34			\$920,614.34		\$6,977,108.71	\$6,056,494.37		\$6,056,494.37		
	43	12/31/2054	12/30/2055		\$934,423.56			\$934,423.56		\$7,081,765.34	\$6,147,341.79		\$6,147,341.79		
	44	12/31/2055	12/30/2056		\$948,439.91			\$948,439.91		\$7,187,991.82	\$6,239,551.91		\$6,239,551.91		
	45	12/31/2056	12/30/2057		\$962,666.51			\$962,666.51		\$7,295,811.70	\$6,333,145.19		\$6,333,145.19		
	46	12/31/2057	12/30/2058		\$977,106.51			\$977,106.51		\$7,405,248.88	\$6,428,142.37		\$6,428,142.37		
	47	12/31/2058	12/30/2059		\$991,763.10			\$991,763.10		\$7,516,327.61	\$6,524,564.51		\$6,524,564.51		
	48	12/31/2059	12/30/2060		\$1,006,639.55			\$1,006,639.55		\$7,629,072.52	\$6,622,432.97		\$6,622,432.97		
	49	12/31/2060	12/30/2061		\$1,021,739.14			\$1,021,739.14		\$7,743,508.61	\$6,721,769.47		\$6,721,769.47		
	50	12/31/2061	12/30/2062		\$1,037,065.23			\$1,037,065.23		\$7,859,661.24	\$6,822,596.01		\$6,822,596.01		
	51	12/31/2062	12/30/2063		\$1,052,621.21			\$1,052,621.21		\$7,977,556.16	\$6,924,934.95		\$6,924,934.95		
	52	12/31/2063	12/30/2064		\$1,068,410.53			\$1,068,410.53		\$8,097,219.50	\$7,028,808.97		\$7,028,808.97		
	53	12/31/2064	12/30/2065		\$1,084,436.69			\$1,084,436.69		\$8,218,677.79	\$7,134,241.11		\$7,134,241.11		
	54	12/31/2065	12/30/2066		\$1,100,703.24			\$1,100,703.24		\$8,341,957.96	\$7,241,254.73		\$7,241,254.73		
	55	12/31/2066	12/30/2067		\$1,117,213.79			\$1,117,213.79	304.95 acres	\$10,541,083.00	\$9,423,869.21		\$9,423,869.21		
	56	12/31/2067	12/30/2068		\$1,133,971.99			\$1,133,971.99		\$10,699,199.25	\$9,565,227.25		\$9,565,227.25		
	57	12/31/2068	12/30/2069		\$1,150,981.57			\$1,150,981.57		\$10,859,687.23	\$9,708,705.66		\$9,708,705.66		
	58	12/31/2069	12/30/2070		\$1,168,246.30			\$1,168,246.30		\$11,022,582.54	\$9,854,336.25		\$9,854,336.25		
	59	12/31/2070	12/30/2												

REASONABLE EXPOSURE TIME

Exposure time is defined as, "The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market."^{11&12} "Exposure time is always presumed to precede the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient, and reasonable time but also adequate, sufficient, and reasonable effort."¹² Exposure time is the assumed period that has elapsed for the value estimate to be reasonable. USPAP requires the appraiser to provide an estimate of exposure time. This estimate should be based on market information. As discussed in the appraisal report, there have been very limited recent sales of properties of this magnitude and unique location. I am of the opinion, however, that if the subject property was professionally and aggressively marketed, a reasonable exposure time for the property would be approximately one year.

¹¹The Dictionary of Real Estate Appraisal (Fifth Ed.), Appraisal Institute, Chicago, Illinois, 2010, p. 73.

¹²Uniform Standards of Professional Appraisal Practice (USPAP), Effective January 1, 2012, *Statement 6 (SMT-6)*, p U-90.

ADDENDA

Pursuant to our conversations please accept this as the assumptions and instructions for the appraisal of the market value of the Dix Property (hereinafter the “Land”) as described in Sec. 1.2 of the Standstill Agreement dated July 9, 2013 and more particularly described herein under Legal Description.

In addition to appraising the market value of the Land, please appraise the market value of the City’s leasehold interest in the Land and the State’s leased fee interest in the Land based upon the assumptions set forth herein, the term as defined in Section 3.2 of the Lease, and market rents as determined by the appraisers.

The final appraisal report shall be delivered no later than March 1, 2014.

You shall issue your opinion of value in accordance with the Uniform Standards of Professional Appraisal Practice 2012-2013 Edition (USPAP.) In the event of a conflict with USPAP and any other authority cited or un-cited, USPAP shall control.

Market Value (Often referred to as Fair Market Value): Market value is defined in *The Appraisal of Real Estate*, 14th edition, as follows:

The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell, after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.

Implicit in this definition are the following assumptions:

- a. Buyer and seller are typically motivated;
- b. Both parties are well informed or well advised, and both are acting in what they consider to be their own best interest;
- c. A reasonable time is allowed for exposure in the open market;
- d. Payment is made in terms of cash in U.S. dollars, or in terms of financial arrangements comparable thereto; and
- e. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale – in other words, an arms-length transaction.

Highest and Best Use: Highest and best use, as defined, is that use which, at the time of appraisal, is the most profitable and likely use to which a property can be put. It may also be defined as that available use and program of future utilization which produces the highest present land value. According to *The Appraisal of Real Estate*, 14th Edition, the highest and best use must be 1) physically possible, 2) legally permissible, 3) financially feasible, and 4) maximally productive.

Fee Simple Estate: Absolute ownership unencumbered by any other interest or estate subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Leasehold Estate: The right to use and occupy real estate for a stated term under the conditions set forth in the lease.

Leased Fee Estate: An ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others; the rights of lessor or the leased fee owner and leased fee are specified by contract terms contained within the lease. According to *The Appraisal of Real Estate*, 14th Edition, the leased fee interest includes the right to the contract rent specified in the lease plus the reversionary right when the lease expires.

Extraordinary Assumption: An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinion or conclusions.

Hypothetical Condition: A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

Uniform Standards of Professional Appraisal Practice (USPAP): The generally accepted appraisal standards of which compliance is required in federally regulated transactions. Federal, state and legal agencies also require compliance.

Jurisdictional Exception: An assignment condition established by applicable law or regulation which precludes an appraiser from complying with a part of USPAP.

Valuation Date: Pursuant to the Standstill, the date of valuation should be July 9, 2013. (4.3 Standstill)

Legal Description: The Land (Sec.1.2 Standstill) to be valued is shown on the survey by Taylor Weisman & Taylor dated June 6, 2013.

Contract Rent: As Leasehold and Lease Fee interests cannot be valued without a defined contract rent, please use the following in determining contract rent: "Base Rent" (as defined in Section 4.1 of the December 2012 Lease) of \$500,000 per year paid annually at the beginning of each year and Annual Increase Rent, (Sec. 4.3), together with adjustments to rent as defined in "Rent Adjustment in Consideration of the Retained Premises," (Sec. 4.4) during the 15 year period over the "Retained Premises Term," (Sec. 3.3).

Hazardous Materials: The Land (Sec. 1.2 Standstill) will be valued as though clean of hazardous materials. The estimated values reported in the appraisal should reflect the total values of the Land as if unaffected by environmental contaminants. The presence of these materials may have a negative influence on the value of the Land, but the consideration of the effects of these materials on the value of the Land is beyond the purpose and scope of this appraisal.

Existing Leases: The Land (Sec. 1.2 Standstill) will be valued subject to the existing leases to the City of Raleigh (for the soccer fields 60 acres +/-) and the Healing Place (10.475 acres, with a 40,000 square foot building.)

You shall estimate the market value of the fee simple interest in that portion of the Land unencumbered by the leases (COR Soccer Fields and the Healing Place), and the leased fee interest in that portion of the Land encumbered by the existing leases (COR Soccer Fields and the Healing Place.)

Property Elements: You shall take into consideration all easements, encumbrances, physical features, land use limitations, and all other attributes of the Subject Property now existing, including, but not limited to: (a) floodplain property located on the northeast side of the property, (b) power line easements along Lake Wheeler Road, (c) greenway easements along Western Boulevard (d) Rocky Branch Creek running along Western Boulevard, and (e) railroad crossings and bridges. Adjustments in the valuation of the Property arising from such matters shall be made, as determined to be appropriate.

Building Demolition: In valuing the fee simple interest of the Land, the property shall be appraised as though vacant with all buildings removed. The appraiser should account for all reasonable costs of demolition, excluding any additional costs which may be associated with the removal and disposal of hazardous materials.

Term of Lease: In valuing the Leasehold and Leased Fee interests under the Lease, the Term of the City's Leasehold Interest shall consist of the Initial Term (75 years) and the Renewal Term (24) for a total Term of 99 years.

Retained Premises: In valuing the Leasehold and Leased Fee interests under the Lease, you shall assume that the Retained Premises consists of 34.27 acres, as illustrated on the attached *retained premises map*.

Retained Premises Term: In valuing the Leasehold and Leased Fee interests under the Lease, the appraiser shall assume that the Retained Premises Term will last fifteen (15) years beginning on the Commencement Date and terminating on the Retained Premises Termination Date, as defined in the Lease.

Bond Financing: In valuing the Leasehold and Leased Fee interests under the Lease, you shall assume that the property is unaffected by any bond or other financing use restrictions described in section 5.2 of the Lease dated 12/28/2012.

Always if you have any questions or concerns please do not hesitate to contact me.



Anderson building



Anderson building



Haywood building



McBryde building



Interior of McBryde building



Taylor Hall building



Royster building



Clark building



Adams building



Kirby building



Warehouse



Warehouse



The Healing Place – 1251 Goode Street.



Looking northerly along Lake Wheeler Road from subject property.



Looking northwesterly across Lake Wheeler Road along railroad right-of-way which runs through the subject property.



Looking northwesterly from Lake Wheeler Road along Goode Street. Subject property right side of photo.



View of downtown Raleigh from subject property.



View of downtown Raleigh skyline from subject property.



Looking northerly along railroad right-of-way across Biggs Drive.



Looking northerly across the subject property.



Looking northeasterly from the subject property at the main hospital campus. Downtown Raleigh in background.



Looking across cemetery on subject property. NCSU Bell Tower in far background.



Looking at downtown Raleigh skyline from cemetery on subject property.



Monument located on subject property.



STATE OF NORTH CAROLINA

LEASE AGREEMENT

COUNTY OF WAKE

THIS LEASE AGREEMENT ("Lease"), executed as of the last date set forth in the notary acknowledgments below by and between the STATE OF NORTH CAROLINA, a body politic and corporate (hereinafter referred to as "Lessor") and the CITY OF RALEIGH, a North Carolina municipal corporation (hereinafter referred to as "Lessee") and effective as set forth herein. Lessor and Lessee are at times collectively referred to hereinafter as the "Parties" or individually as the "Party."

RECITALS

- A. Lessor is the owner of the Land (as herein defined) situated in the City of Raleigh, Wake County, North Carolina.
- B. Lessor desires to lease the Land to Lessee, and Lessee desires to lease the Land from Lessor on the terms and conditions and for the purposes set forth herein.
- C. The execution of this Lease for and on behalf of Lessor has been duly approved by the Governor and Council of State at a meeting held in Raleigh, North Carolina on the 4th day of December, 2012 and all conditions precedent to the commencement of this Lease shall have been fulfilled not later than the Commencement Date.
- D. The execution of this Lease for and on behalf of Lessee has been duly approved by the Raleigh City Council on the 4th day of December, 2012.
- E. Lessor and Lessee agree that this Lease shall be effective as of the Commencement Date, as said term is defined herein.

In consideration of the less than market rents and the mutual covenants contained in this Lease, Lessor and Lessee agree as follows:

1. Definitions. In addition to the defined terms set forth elsewhere in this Lease, unless the context otherwise requires, the following terms used in this Lease as indicated by their initial capitalization shall be defined as follows:

1.1 "Buildings, Improvements and Structures" means all existing buildings, improvements and structures situated on or under the Land as set forth on Exhibit D attached hereto and incorporated into the Lease and made a part hereof for all relevant purposes.

1.2 "Council of State" means that body defined in Article III of the North Carolina Constitution or any one or more successor bodies, agencies or organs of the State of North Carolina clothed with similar authority to approve the transfer of interests in real property owned

by the State of North Carolina or to approve conditions applicable to the use of real property owned by the State of North Carolina.

1.3 "DHHS" means the North Carolina Department of Health and Human Services or any successor agency or agencies thereto performing the same or similar functions.

1.4 "DOA" means the North Carolina Department of Administration or any successor agency or agencies thereto performing the same or similar functions.

1.5 "Demolition Plan" means Lessee's plan for the demolition of certain Buildings, Improvements and Structures located on or under the Land as generally described and incorporated within the Master Plan.

1.6 "Destination Park" means the repurposing, improvement and development of the Land for the use of the general public in such a manner that it allows for the general public to enjoy the natural features of the Land while providing a variety of park experiences, all in accordance with the Master Plan.

1.7 "Environmental Laws" means all federal, state and local laws, ordinances, codes, rules, rulings, restrictions, orders, judgments, decrees, writs, judicial or administrative interpretations, and regulations now or hereafter in force, as amended from time to time, in any way relating to or regulating human health or safety, or protection of the environment, or pollution or contamination of the air, soil, surface water, drinking water, or groundwater, and includes, without limitation: the Comprehensive Environmental Response, Compensation, and Liability Act; the Solid Waste Disposal Act; the Clean Air Act; the Clean Water Act; the Resource Conservation and Recovery Act; the Toxic Substance Control Act; the Occupation, Health and Safety Act; the North Carolina Solid Waste Management Act; the North Carolina Childhood Lead Exposure Control Act; and the North Carolina Oil Pollution and Hazardous Substances Control Act; the North Carolina Inactive Hazardous Sites Act; the North Carolina Superfund Act; and the North Carolina Brownfields Property Reuse Act.

1.8 "Land" means those parcels or tracts of land located in the City of Raleigh, Wake County, North Carolina comprising a total of approximately three hundred twenty-five acres, more or less, and including all improvements situated thereon as of the Commencement Date, as said parcels or tracts of land are shown and more particularly described on Exhibit A attached hereto and incorporated herein by this reference (the "Land"). Subsequent to the execution of this Lease, the Parties may provide a more particular legal description of the Land by written letter agreement; provided that any such description does not materially alter the terms of this Lease.

1.9 "Leased Premises" means that portion of the Land not included within the Retained Premises as set forth herein, and such portions of the Retained Premises the possession of which is surrendered from time to time by Lessor to Lessee in accordance with the terms and conditions hereof.

1.10 "Leasehold Improvements" means those buildings, facilities, structures and improvements constructed or installed by Lessee on the Land pursuant to the Master Plan.

1.11 "Master Plan" means the comprehensive, detailed schematic development plan, as may be amended from time to time, together with supporting documentation, prepared by Lessee, at its sole cost and expense, for the repurposing of all the Land into a world-class public Destination Park, all in a form that is usual and customary for such major projects, a courtesy copy of which is provided to DOA after adoption and at least six (6) months prior to the commencement of implementation, with a courtesy copy of any amendment(s) thereto being provided to DOA after adoption and at least ninety (90) days prior to the implementation of any such amendment, setting forth among other things: planning for the use of existing natural areas and open space; integrated design plan for the conservation, enhancement and expansion of greenspace and landscape features; installation of walking and biking pathways and trails; connection to nearby greenways and dedicated public trails; demolition, severance, relocation or renovation of Buildings, Improvements and Structures; restoration of historic Buildings, Improvements and Structures; site plans for Leasehold Improvements; streetscape facilities and features, including lighting and utilities; public art and other cultural amenities; pedestrian, vehicular and non-vehicular circulation and traffic; streets; parking; investigation; and entitlement of the Land by way of zoning changes required to support the Destination Park, and in conformance with applicable governmental regulations.

1.12 "Park Component" means those certain features, facilities, structures or amenities, developed, constructed or installed in accordance with the Master Plan, or the sites and appurtenant streets therefor as to which Lessee has gone into possession for purposes of construction.

1.13 "Retained Promises" means that portion of the Land comprised of certain Buildings, Improvements and Structures, parking areas and ancillary facilities appurtenant thereto possession of which is retained by Lessor, in whole or in part and in accordance with the terms and conditions of this Lease, all as more particularly described in Exhibit B attached hereto and incorporated herein by reference. Hereafter and from time to time, the Parties may revise the description of the Retained Premises by written letter agreement; provided that any such revisions do not materially alter the terms of this Lease.

1.14 "State Lands" means as said term is defined in N.C. Gen. Stat. §146-64.

2. Incorporation of Recitals and Exhibits.

2.1 Incorporation of Recitals. The Recitals set forth herein are hereby incorporated in the Lease the same extent as if hereinafter fully set forth.

2.2 Exhibits. The following exhibits are attached to this Lease and are made part of this Lease:

A. Exhibit A – Description of the Land.

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B. Exhibit B – Description of Retained Premises.

B.1. Schedule B-1 – Spreadsheet dated December 11, 2012, captioned "Building and Parking Area Estimate for Dix Campus."

C. Exhibit C – Notice of Surrender of Retained Premises (or portion thereof).

D. Exhibit D – Buildings, Improvements and Structures.

D.1. Schedule D-1 – Map listing and depicting the Buildings, Improvements and Structures located on the Land.

3. Lease of Land and Term.

3.1 Lease of Land. Lessor, for and in consideration of the rentals hereinafter provided and in further consideration of the covenants, conditions and provisions hereinafter set forth, does hereby rent, lease and demise unto Lessee for and during the Term, as defined herein, subject to and in accordance with the terms and conditions herein set forth, the Land, with all rights, privileges and appurtenances thereunto belonging.

3.2 Term. The initial term of this Lease shall be for a period of seventy-five (75) years commencing on December 31, 2012 (the "Commencement Date") and, unless sooner terminated as provided herein, shall expire on December 30, 2087 at 2400 hours (the "Initial Term"). If Lessee is not in default hereunder, Lessee shall have the option to renew this Lease for one (1) additional twenty-four (24) year period (the "Renewal Term") by providing Lessor not less than five (5) years notice of its intent to so renew prior to the expiration of the Initial Term. The Initial Term and the Renewal Term are collectively referred to herein as the "Term."

3.3 Retained Premises Term. Lessor, in accordance with the terms and conditions hereof, shall have the right to continue to possess and occupy the Retained Premises in whole or in part for a period not to exceed fifteen (15) years beginning on the Commencement Date and terminating on December 30, 2027 at 2400 hours ("Retained Premises Termination Date"). At any time prior to the Retained Premises Termination Date, Lessor, in its sole discretion, may surrender the Retained Premises or any portion or portions thereof to Lessee by providing Lessee with written notice of such surrender no less than twelve (12) months prior to the date possession is to be relinquished to Lessee. Lessor shall deliver such relinquished premises in the their present condition as of the date of this Lease, normal wear and tear excepted, having been maintained as required in Section 6.2 of this Lease. Lessor shall provide such advance written notice to Lessee in a form substantially similar to that attached hereto and incorporated herein as Exhibit C. Upon surrender by Lessor to Lessee, the portion of the Retained Premises thus surrendered shall become apart of the Leased Premises. The period of time between the Commencement Date and the earlier of the following to occur (1) the date that possession of all of the Retained Premises has been surrendered by Lessor to Lessee; or (2) the Retained Premises Termination Date, is hereinafter referred to as the "Retained Premises Term."

4. Rent.

4.1 Base Rent. The "Base Rent" paid by Lessee to Lessor for the Land for each Annual Rental Period, as said term is defined herein, during the Term shall begin at Five Hundred Thousand and 00/100 Dollars (\$500,000.00).

4.2 Annual Rental Period. Each "Annual Rental Period" shall consist of one (1) year beginning on the Commencement Date and on each subsequent anniversary of the Commencement Date throughout the Term, and terminating on the 30th day of December next following that anniversary date at 2400 hours. If Lessee exercises its option to renew this Lease for the Renewal Term and this Lease is not sooner terminated as provided herein, there shall be ninety-nine (99) Annual Rental Periods during the Term.

4.3 Annual Increased Rent. At the beginning of the second (2nd) Annual Rental Period and at the beginning of each Annual Rental Period thereafter throughout the Term, the Base Rent paid by Lessee to Lessor for the Land shall be increased by multiplying the then existing unadjusted Base Rent by the sum of 1.015; said product becoming the Base Rent for the Annual Rental Period then commencing.

4.4 Rent Adjustment in Consideration of the Retained Premises. The initial Base Rent paid by Lessee to Lessor for the Land during the first Annual Rental Period and the Base Rent paid by Lessee to Lessor for the Land for each subsequent Annual Rental Period shall be reduced by the percentage by which the Land comprising the Retained Premises (calculated to the nearest one hundredth acre) bears to three hundred twenty-five (325). The Base Rent as increased in Section 4.3 and adjusted in this Section 4.4 is hereinafter referred to as "Rent." Any adjustment in Rent will be effective for the Annual Rental Period next following the date on which any relinquishment of the Retained Premises occurs. The Parties shall meet at such time or times as are mutually agreeable prior to the 1st day of July, 2013, to verify the measurements used to calculate the Retained Premises as described in Exhibit B attached hereto.

4.5 Due Date. Rent for the first Annual Rental Period shall be due and payable on the 1st day of July, 2013. Rent for each Annual Rental Period thereafter shall be due and payable on the 1st day of July each year during the Term. For the purposes of the payment of Rent, July 1, 2013, and each anniversary thereof is referred to herein as the "Due Date." Rent shall be payable to Lessor c/o DOA at 1321 Mail Service Center, Raleigh, North Carolina 27699-1321, or to such other agency or place as Lessor may, from time to time, designate in writing at least thirty (30) days in advance of the Due Date.

5. Permitted Use; Approval and Implementation of Master Plan and Leasehold Improvements.

5.1 Permitted Use. Subject to the terms and conditions of this Lease, the entire Leased Premises shall only be used by Lessee for the development, construction, operation and maintenance of a Destination Park in accordance with the Master Plan and no part of it shall be

used for any other purpose without the prior written consent of DOA, after consultation with DHHS or other occupant of the Retained Premises and the approval of Council of State. In no event shall Lessee use or issue permits for the use of any portion of the Leased Premises which use would unreasonably interfere with Lessor's use of the Retained Premises, or which use would cause Lessor to incur additional maintenance cost. No provision of this Lease shall expand the zoning authority of Lessee as provided in Article 19, Part 3 of N.C. Gen. Stat. 160A, as may be amended from time to time.

5.2 Private Use. The Parties acknowledge that the Office of State Treasurer has advised: that certain of the existing capital facilities on the Leased Premises were financed by issuance of bonds or other financing instrumentalities; and that such financing often included the requirement that those capital facilities were to be used only for governmental uses or for the use of the general public. Therefore, it is a requirement of this Lease that before the Leased Premises may be employed for the use or benefit of private parties and organizations such intended use must be reported to the Office of State Treasurer for approval, with a copy of that report being transmitted to Lessor, notwithstanding other approvals required herein.

5.3 Master Plan. Lessee, at its sole cost and expense, shall prepare the Master Plan for the repurposing and development of all of the Land into a Destination Park. Lessee shall provide DOA with a courtesy copy of the Master Plan after its adoption and at least six (6) months prior to the commencement of its implementation. Lessee shall also provide DOA with a courtesy copy of any subsequent amendment(s) to the Master Plan after adoption and at least ninety (90) days prior to the commencement of implementation of any revisions to the Master Plan as may be provided in any such amendment(s).

5.4 Implementation of Master Plan. Lessee shall begin implementation of the Master Plan before the eleventh (11th) anniversary of the Commencement Date; failure to begin implementation of the Master Plan prior to such date shall constitute a default and abandonment by Lessee under this Lease.

5.5 Demolition and Severance Approval. No Buildings, Improvements and Structures shall be demolished or severed from the Leased Premises without Lessor's prior approval except under an approved Demolition Plan, which will be made part of the Master Plan, such consent or approval not to be unreasonably withheld; provided that in the event Lessee determines it is necessary or convenient to demolish or sever one or more Buildings, Improvements and Structures on the Leased Premises not under an approved Demolition Plan, then Lessee may seek approval for such demolitions or severances from DOA and the Council of State in accordance with applicable law or as otherwise provided pursuant to Council of State rules or delegations.

5.6 Leasehold Improvements. Leasehold Improvements shall be made by Lessee at its sole cost and expense in accordance with the Master Plan and in compliance with statutes, rules, regulations and codes applicable to the construction and installation of improvements on State Lands, except for those provision of statutes, rules, regulation, and codes that apply to the procurement of contractors to make the Leasehold Improvements. Prior to the commencement

of construction or installation of any Leasehold Improvement, Lessee shall deliver plans and specifications for the intended work to Lessor for written approval by DOA, and any other agency or agencies designated by Lessor.

6. Condition of Premises, Maintenance and Utilities.

6.1 Condition of Leased Premises. Lessor agrees to deliver the Leased Premises to Lessee in its present condition with all faults. Except as otherwise expressly provided herein, Lessee acknowledges that the Leased Premises is being delivered "as is," that Lessee has concluded on its own judgment that the Leased Premises are suitable for the purposes intended, without any representations or warranties of any kind (including, without limitation, any express or implied warranties of merchantability, fitness or habitability) from Lessor or any agent of Lessor. Lessee's entry into possession shall constitute conclusive evidence that as of the date thereof the Leased Premises were in good order and satisfactory condition, subject to the existence of any Regulated Materials, as defined in Section 9, on or under the Land or in any Buildings, Improvements and Structures. Lessee further acknowledges that this Lease is subordinate to all existing leases, easements and rights of way encumbering the Leased Premises and any easements and rights of way Lessor conveys on or upon the Land in accordance with the terms hereof, including, without limitation, that certain lease of a portion of the Land to The Healing Place of Wake County and that certain lease of a portion of the Land to Lessee for soccer fields, and any easements benefiting adjacent land owned by Lessor.

6.2 Lessor's Maintenance Responsibilities. During the Retained Premises Term, Lessor, in its sole discretion and at its sole cost and expense, shall be responsible for maintaining those portions of the Land not comprising a Park Component as follows: (a) vacant grounds shall be maintained to the extent and in a manner comparable to that which Lessor maintains other State Lands; (b) occupied Buildings, Improvements and Structures, including parking facilities, shall be maintained in their present usable condition; and (c) vacant Buildings, Improvements and Structures, unused parking facilities and streets, including appurtenant sidewalks, curbs, gutters and drainage structures, shall be maintained as reasonably necessary to curtail waste.

6.3 Lessee's Maintenance Responsibilities. During the Retained Premises Term, Lessee shall be responsible, at its sole cost and expense, for maintaining those portions of the Leased Premises comprised of Park Component(s). At the expiration of the Retained Premises Term, Lessee shall assume all maintenance responsibilities for the Land and shall maintain the Land for the remainder of the Term, at its sole cost and expense, in accordance with the Master Plan and its codes, ordinances and regulations. Lessee shall not be responsible for improvements, renovations, corrective actions or other alterations of the Leased Premises which are required by federal, state or local agencies pursuant to environmental laws arising solely out of prior use by Lessor.

6.4 Utilities. During the Retained Premises Term, Lessor shall be solely responsible for all charges, fees and expenses associated with the provision of utilities to those portions of the Land not comprising a Park Component. Lessee, during the Retained Premises Term, shall be solely responsible for all charges, fees and expenses associated with the provision of utilities

to those portions of the Leased Premises comprising a Park Component. At the expiration of the Retained Premises Term, Lessee shall be solely responsible for all charges, fees and expenses associated with the provision of utilities to the Land for the remainder of the Term.

7. Access and Basements.

7.1 Lessee's Right of Access. During the Retained Premises Term, Lessee and Lessee's agents or employees shall have the right to enter upon the Retained Premises from time to time and conduct such inspections, tests, studies and surveys as Lessee may deem necessary (collectively, the "Inspections") in order to fully develop the Master Plan and to quantify the maintenance and environmental remediation work necessary with respect to the Buildings, Improvements and Structures, provided that prior to any such entry Lessee shall obtain Lessor's written authorization to enter upon the Retained Premises and shall notify Lessor of (a) the purpose of such entry, (b) the location of any Inspections to be performed, and (c) the time such Inspections shall occur, subject to consultation with DHHS or other occupant of the Retained Premises to insure the occupant's quiet enjoyment thereof and any special security requirements. Lessee and/or its agents, representatives, contractors, subcontractors and consultants shall be adequately insured with respect to the conduct of the Inspections. Lessor shall grant Lessee's reasonable requests for entry upon the Retained Premises with the agreement that Lessee shall leave the Retained Premises in substantially the same or better condition as it was prior to the entry thereon by Lessee or its agents or employees or, in the event of any damage to the Retained Premises, Lessee shall repair and restore the Retained Premises substantially to its prior condition. Lessee agrees to hold Lessor harmless from any loss or damage to persons or property, including reasonable attorneys' fees, arising out of the entry upon the Retained Premises by Lessee, its agents or employees, or arising out of the Inspections that Lessee, its agents or employees may conduct pursuant to this Section 7.

7.2 Lessor's Right of Access. In addition to all other rights of access retained herein by Lessor, Lessor reserves the right for its DHHS or any other agency which is assigned space in the Retained Premises, and any successor agencies, together with the agency's officers, agents, contractors, employees, and invitees to enter upon the Retained Premises at any time in the assigned agency's sole discretion. Lessor reserves the right for it and any of its agencies, their officers, agents and employees, to enter upon the Land at any reasonable time during the Term in view of the circumstances then existing to perform such inspections as it deems necessary to ensure Lessee compliance with the terms and conditions of this Lease and or to satisfy its obligations under this Lease without the same constituting an eviction of Lessee in whole or in part, or a breach of this Lease. During the Retained Premises Term, DHHS or other occupant of the Retained Premises may apply to Lessee for temporary use of portions of the Leased Premises for purposes of addressing emergencies or carrying out drills and exercises that are part of the occupant's duties; which request will not be unreasonably denied.

7.3 Easements and Rights of Way. Lessor, subject to and following all necessary prior governmental approvals, shall grant all easements and rights of way as may be reasonably required for the utilities to serve the Land; provided (a) Lessor shall approve the location, dimensions and terms of said easements and rights of way and (b) Lessee shall bear all cost and

expense associated with the installation and of said easements and rights of way. Notwithstanding the foregoing, Lessor may, in its sole discretion and at its own expense, grant, remove or relocate any easement and right of way, provided that such grant, removal or relocation does not unreasonably impair the use and operation of the Land, is made upon reasonable notice to, and in coordination with, Lessee.

7.4 Existing Railroad Right-of-Way. The Land is encumbered by and an existing railroad right of way which is generally shown and described on Exhibit A. Lessee shall cooperate with the holder and operator of the right of way and railroad facilities to ensure that the right of way is protected in the Master Plan to its full legal width, including the possible expansion of railroad operations within the right of way, and also to ensure that sufficient safety measures are in place for the protection of Lessee's invitees and guests.

7.5 Existing Streets. During the Retained Premises Term, Lessor shall maintain existing streets throughout the Land, including appurtenant sidewalks, curbs, gutters, and drainage structures, as reasonably necessary to curtail waste; provided that Lessee shall be responsible for and shall cause to be made, at its sole cost and expense, such repair, maintenance or upgrade to any existing streets or appurtenant sidewalks, curbs, gutters and drainage structures necessitated by the use thereof by Lessee, its employees, agents, invitees, licensees, or contractors.

8. Insurance and Liability.

8.1 Lessee Insurance. Lessee shall obtain adequate insurance coverage in accordance with all applicable laws, if so required, for (i) general liability, (ii) workers' compensation, (iii) automobile liability and (iv) fire and extended coverage with regard to the Lessee's operations on or about the Leased Premises and the improvements located thereon. Lessee shall require any of its contractors or agents entering the Leased Premises to obtain and keep in place with well rated insurers, authorized to do business in the State of North Carolina, adequate insurance coverage, as applicable, for (i) statutory workers' compensation including, employers' liability; (ii) comprehensive general liability including, personal injury, broad form property damage, independent contractor, XCU (explosion, collapse, underground) and products/completed operations; (iii) automobile liability; and (iv) fire and extended coverage insurance. Notwithstanding the rights of any insurer, nothing herein shall affect the authority of the Attorney General of North Carolina, including but not limited to, the Attorney General's authority to represent Lessor in any and all litigation.

8.2 Insurance Requirements. All policies shall be issued by insurance companies acceptable to Lessor. All such policies maintained by Lessee shall be purchased only from insurers who are licensed to do business in the State of North Carolina, who comply with the requirements thereof, and who carry an A.M. Best Company rating of "A" or "A+." All insurance policies shall contain an endorsement, if obtainable, specifically naming Lessor as an additional insured, and shall be primary to any other insurance that may be available to Lessor. All insurance policies shall contain an endorsement stating that the insurer will not cancel or reduce coverage without first giving Lessor thirty (30) days prior written notice. Lessee will provide

Lessor with current certificates of such insurance, including a copy of all additional insured endorsements, within thirty (30) days after execution of this Lease, and will provide true and complete copies of such insurance policies upon Lessor's request.

8.3 Lessee's Liability. As between Lessee and Lessor, Lessee, subject to the terms of this Lease, shall be primarily liable for the negligent or intentional acts or omissions of its agents, contractors or employees. As to third parties, Lessee, to the extent permitted by law and solely to the extent indemnified by an insurance policy such that any amounts paid by Lessee to Lessor comes from insurance proceeds and not from Lessee's funds, agrees to save Lessor harmless from and against any and all loss, damage, claim, demand, liability, or expense, including reasonable attorney fees, by reason of damage to person or property on or about the Leased Premises, which may arise or be claimed to have arisen as a result of the use or operation of the Leased Premises by Lessee, its agents or employees, except where such loss or damage arises from the willful or negligent misconduct of Lessor, its agents or employees. Notwithstanding the above, no provision of this Lease shall be construed as constituting waiver of either Parties' governmental immunity under any applicable law.

8.4 Lessor Insurance. The Parties agree that Lessor's decision to self-insure satisfies all insurance requirements of this Lease applicable to Lessor.

8.5 Lessor Liability. As between Lessor and Lessee, Lessor, subject to the terms of this Lease, will be primarily liable for the negligent or intentional acts or omissions of its agents, contractors or employees. As to third parties, Lessor is an immune sovereign and is not ordinarily subject to suit. However, Lessor has enacted Chapter 143, Article 31, of the North Carolina General Statutes (the "Tort Claims Act"), pursuant to which the Lessor may be liable for the torts of its officers and employees, within the terms of the Tort Claims Act, and accordingly, Lessor will be primarily liable for any final judgment arising from claims within the coverage of the Tort Claims Act. No provision of this Lease shall be construed as constituting a waiver of Lessor's sovereign immunity or Lessor's immunity under the Eleventh Amendment of the Constitution of the United States.

9. Compliance with Environmental Laws. Lessee makes the following representations and warranties to Lessor with regard to environmental matters:

A. Throughout the Term, neither Lessee nor any of its employees, agents, invitees, licensees, or contractors shall cause, permit or allow, any substances, chemicals, materials or pollutants (whether solid, liquid or gaseous and including, without limitation, any oil, gasoline, petroleum or petroleum by-products) deemed to be toxic or hazardous or the manufacture, storage, transport or disposal of which is regulated, governed, restricted or prohibited by any federal, state or local agency or authority (collectively, "Regulated Materials") under any Environmental Laws, to be handled, placed, stored, dumped, dispensed, released, discharged, deposited, manufactured, generated, treated, processed, used, transported or located on the Leased Premises without Lessor's prior written consent; provided, Lessee may handle, store or use quantities, as used in the ordinary course of business, of Regulated Materials which are directly related to the construction and operation of the Leasehold Improvements, if Lessee

engages in such permitted activity in a safe and lawful manner and in full compliance with any and all Environmental Laws, which compliance shall be at Lessee's sole expense. Upon the expiration or earlier termination of this Lease, Lessee, at Lessee's expense, shall remove all Regulated Materials from the Leased Premises that were added to the Leased Premises by Lessee during the term of the Lease.

B. Lessee shall give Lessor prompt written notice of any problem, spill, discharge, threatened discharge or discovery resulting in a release of any Regulated Materials on or about the Leased Premises or claim thereof during the Term. Such notice shall be deemed prompt if it is delivered in an electronic format not later than two (2) business days after Lessee learns about the problem, spill, discharge, threatened discharge or discovery resulting in a release of Regulated Materials. If such problem, spill, discharge, threatened discharge or discovery resulting in a release was caused by Lessee, its employees, agents, contractors, invitees or licensees, this notice shall include a description of measures taken or proposed to be taken by Lessee to contain the release of Regulated Materials and a copy of any report of the incident to a state or federal regulatory agency. Within ten (10) business days, Lessee shall supplement the notice with its evaluation of the actions required to develop and implement an appropriate remedial action and to assess any resultant damage to or impact on property, persons and/or the environment (which term includes, without limitation, soil, surface water or groundwater) on, under or about the Leased Premises. Upon Lessor's approval and at Lessee's own expense, Lessee shall promptly take all steps necessary to clean up or remediate any release of Regulated Materials, comply with all Environmental Laws and otherwise report and/or coordinate with Lessor and all appropriate governmental agencies. Lessor's approval for the clean-up and remediation is provided when a state or federal agency, vested with regulatory authority over the clean-up and remediation, issues a permit or similar authorization for the cleanup and remediation and Lessee delivers a copy of the permit or similar authorization to Lessor.

C. Lessee agrees to indemnify Lessor and hold Lessor harmless from and against any and all liens, demands, defenses, suits, proceedings, disbursements, liabilities, losses, litigation, damages, judgments, obligations, penalties, injuries, costs, expense (including, without limitation, attorneys' and experts' fees) and claims of any and every kind of whatsoever paid, incurred, suffered by, or asserted against Lessor with respect to, or as a direct or indirect result of the violation of any Environmental Laws applicable to the Leased Premises, to the extent that such violation is caused by the activities of Lessee during the term of the Lease.

D. The obligations in this Section 9 shall survive the termination of this Lease.

10. Condemnation. If all or substantially all of the fee in the Leased Premises is taken by virtue of eminent domain or for any public use or purpose by any entity possessing such legal authority, the Lease shall terminate on the date the condemning authority takes possession. If less than fifty percent (50%) of the Leased Premises is so taken, the Lease shall, at the election of Lessor after consultation with Lessee, either (i) terminate on the date the condemning authority takes possession by giving notice thereof to Lessee within thirty (30) calendar days after the date of such taking of possession or (ii) continue in full force and effect as to that part of the Leased Premises not so taken, in which case Rent shall be reduced on a square footage basis by the

amount of square footage of the Leased Premises taken or condemned. All proceeds payable from any fee taking or condemnation of all or any portion of the Leased Premises shall belong to and be paid to Lessor, and Lessee hereby expressly assigns to Lessor any and all right, title and interest of Lessee now or hereafter arising in and to any such awards. Lessee shall have no, and waives any, claim against Lessor and the condemnor for the value of any portion of the Term.

If all or substantially all of only the Lessee's leasehold interest is taken by virtue of eminent domain or for any public use or purpose by any entity possessing such legal authority, this Lease shall terminate on the date the condemning authority takes possession. If less than fifty percent (50%) of the Leased Premises is so taken, this Lease shall, at the election of Lessee after consultation with the Lessor, either (i) terminate on the date the condemning authority takes possession by giving notice thereof to Lessor within thirty (30) calendar days after the date of such taking of possession or (ii) continue in full force and effect as to that part of the leasehold interest not so taken, in which case Rent shall be reduced on a square footage basis by the amount of square footage of the Leased Premises taken or condemned. All proceeds finally adjudged payable from any taking or condemnation of all or any portion of the leasehold interest alone shall belong to the Lessee, subject to the provisions of the preceding paragraph.

11. Covenants.

11.1 Audit. Lessee shall maintain accurate and complete books, records and financial statements in accordance with generally accepted accounting principles and The Local Government and Fiscal Control Act concerning the development and implementation of the Master Plan and its operations on the Land. Lessee, at its sole cost and expense, shall conduct an audit examination of its operations on the Land at regular intervals pursuant to applicable law or from time to time during the Term as may be requested by responsible agencies of Lessor in accordance with applicable law. Any such audit examination prepared for Lessee shall be provided to the DOA. All accounts and records of Lessee involving the Land shall be subject to inspection and audit at any time by Lessor and any of its agencies, including the Office of the North Carolina State Auditor and the Local Fiscal Management Division of the North Carolina State Treasurer, pursuant to applicable law and this Lease.

11.2 Compliance. The Parties agree to comply, with all governmental laws, rules, ordinances and regulations applicable to the Leased Premises or the respective Party's use thereof for activities undertaken during the term of the Lease. Each Party shall bear the sole cost and expense for compliance with this section.

11.3 Waste. The Parties shall not use the Leased Premises or Retained Premises in any manner that will constitute waste, nuisance, or unreasonable annoyance.

11.4 Liens. Lessee agrees to pay all lawful claims associated with the construction and installation of the Improvements on a timely basis and shall indemnify, defend and hold harmless Lessor for all claims by third parties and contractors arising out of the construction and installation of the Leasehold Improvements. Lessee shall not encumber the Leased Premises with any mortgages not herein permitted or permit any mechanic's, materialman's, contractor's,

subcontractor's or other similar lien arising from any work of improvement performed by or on behalf of Lessee, however it may arise, to stand against the Leased Premises. In the event the Leased Premises are encumbered by any such lien, Lessee may in good faith contest the claim underlying such lien, so long as Lessee immediately bonds or otherwise discharges the lien.

12. Default and Termination.

12.1 Events of Default. The occurrence of any of the following shall constitute a material default and breach of this Lease (an "Event of Default");

- A. Vacation / Abandonment. Lessee ceases to occupy, abandons or vacates the Leased Premises for the purposes of this Lease before the expiration of the Term.
- B. Failure to Pay. If Lessee fails to pay Rent or any other monetary payment as and when due where such failure continues for sixty (60) days after delivery of written notice thereof by Lessor to Lessee.
- C. Transfer. The assignment, subletting or other transfer or any attempted assignment, subletting or other transfer, of this Lease without the prior written permission of Lessor in violation of the terms hereof.
- D. Violation of Environmental Laws. Any violation of Section 9 by Lessee; provided, however, that such violation shall not constitute an Event of Default if (1) the Lessee complies with regulatory reporting and remediation processes, or (2) within ten (10) days of notice of such violation, Lessee shall both deliver to Lessor such cash security as Lessor may require, in its sole and absolute discretion, in order to fully protect Lessor and the Leased Premises from and against all claims, losses and costs actually or potentially caused, as determined by Lessor, and commence to cure such violation and if thereafter Lessee thereafter pursues such cure to completion in a manner that brings the Leased Premises into compliance with Environmental Laws.
- E. Failure to Perform. If a Party fails to perform any of its obligations under this Lease, for a period of sixty (60) days after written notice from the other Party; provided that if more time is required to complete such performance, the Party shall not be in default if the Party commences such performance within the sixty (60) day period and thereafter diligently pursues its completion. However, the other Party shall not be required to give such notice if the Party's failure to perform constitutes a non-curable breach of this Lease.
- F. Other Defaults. If Lessee fails to comply with any provision contained in this Lease or any of the rules commenced by or against it in any legal proceeding to declare it bankrupt, insolvent or unable to pay its debts, or shall make a general assignment for the benefit of its creditors.

- G. False Statement. The making or furnishing by Lessee on any warranty, representation or statement to Lessor in connection with this Lease, which is knowingly false or misleading in any material respect when made or furnished.
- H. Unlawful Purpose. If Lessee knowingly allows the Leased Premises to be used for any unlawful purpose or for any purpose that promotes acts of moral turpitude.
- I. Unethical or Fraudulent Actions. If, in its sole discretion, Lessor determines with regard to this Lease or to Lessee's use and occupancy of the Leased Premises, that Lessee knowingly has: acted in an unethical or fraudulent manner; or acted in a manner that would bring Lessor into disrepute; or acted in a manner that is in violation of public policy or in a manner detrimental to the legitimate interests of Lessor; or has refused Lessor's request for information or additional assurances either with respect to Lessor's reasonable belief that any of the foregoing defaults may have occurred, or which may otherwise be required by law.

12.2 Lessor's Remedies. Upon the occurrence of any Event of Default or failure by Lessee to perform any obligation of Lessee under this Lease, which failure is not cured within the specific time periods provided in this Lease or if no specific time period is provided, then within sixty (60) days after written notice to Lessee (or if such failure cannot be cured within sixty (60) days, then within such reasonable period of time, provided Lessee proceeds promptly and diligently to cure such breach), whichever occurs first, then Lessor, at its option may (i) terminate Lessee's right to possession of the Leased Premises at any time by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession of the Leased Premises to Lessor; and/or (ii) pursue any other remedy now or hereafter available to Lessor under North Carolina law.

12.3 Right of Lessor to Re-Enter. In the event of any termination of this Lease by Lessor or the enforcement of any other remedy by Lessor under this Lease, Lessor shall have the immediate right to enter upon and repossess the Leased Premises, and any trade fixtures or personal property of Lessee may be removed from the Leased Premises and stored in any public warehouse, or at such place convenient to Lessor, at the risk and expense of Lessee. Lessee hereby waives all claims arising from Lessor's re-entering and taking possession of the Leased Premises and removing and storing the property of Lessee as permitted under this Lease and will save and hold Lessor harmless from all losses, costs or damages occasioned Lessor thereby. No such reentry shall be considered or construed to be a forcible entry by Lessor. Lessee hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of Lessee being dispossessed for any cause, or in the event of Lessor obtaining possession of the Leased Premises, by reason of the violation by Lessee of any of the terms, covenants or conditions of this Lease, or otherwise.

12.4 Legal Costs. Lessee shall reimburse Lessor, upon demand, for any reasonable costs or expenses incurred by Lessor in connection with any breach by Lessee or the occurrence of any Event of Default under this Lease, whether or not suit is commenced or judgment entered. Such costs shall include reasonable legal fees and costs incurred for the negotiation of a settlement, enforcement of rights or otherwise.

13. Ownership of Leasehold Improvements; Surrender of Land. During the Term, ownership of the Leasehold Improvements shall be in Lessee. At the expiration of the Term or the earlier termination of this Lease, Lessee shall promptly quit and surrender the Land and the Leasehold Improvements in good order, condition and repair, ordinary wear and tear excepted, and the Leasehold Improvements shall become the property of Lessor without reimbursement or compensation to Lessee. At the termination of this Lease, Lessee shall remove any and all of Lessee's personal property, trade fixtures and equipment from the Land. All such personal property, trade fixtures and equipment not so removed by Lessee and remaining on the Land thirty (30) days after the termination of this Lease shall, at Lessor's option, become the property of Lessor or Lessor may have the property removed or stored, at Lessee's expense. Lessor shall be responsible for any maintenance, replacement, upgrade or other improvements of the Leasehold Improvements required by Environmental Laws immediately upon surrender of the Land and Leasehold Improvements. Lessee agrees to transfer permits for the Leasehold Improvements to the Lessor, if allowed by law.

14. Miscellaneous Provisions

14.1 Assignment; Sublease. This Lease may not be assigned nor the Leased Premises subleased by Lessee without the express written approval of DOA and the Council of State in accordance with applicable law or as otherwise provided pursuant to Council of State rules or delegations. Subject to the foregoing, and from and after its effective date, this Lease shall inure to the benefit of, Lessor and Lessee and their respective successors and any permitted assigns.

14.2 Amendment. This Lease shall not be modified or amended except by an instrument in writing executed by or on behalf of Lessee and on behalf of the Lessor as provided in N.C. Gen. Stat. Chapter 146 and the rules and delegations thereunder.

14.3 Effect of Waiver or Forbearance. No covenant or condition of this Lease can be waived except by written consent of the Parties. A waiver of any covenant or condition on one occasion shall not be deemed a waiver of said covenant or condition on any subsequent occasion unless such fact is specifically stated in the waiver. Forbearance or indulgence by Lessor in any regard whatsoever shall not constitute a waiver of any covenant or condition to be performed by Lessee, and until Lessee has completely performed all covenants and conditions of this Lease, Lessor shall be entitled to invoke any remedy available to Lessor under this Lease or any law or equity despite such forbearance or indulgence.

14.4 Complete Agreement. This Lease (including all Exhibits referenced herein) represents the entire agreement between the Parties regarding the subject matter hereof and each

Party acknowledges that neither has made (either directly or through any agent or representative) any representations or agreements in connection with this Lease not specifically set forth herein.

14.5 Severability. In case any term or covenant or condition of this Lease, or the application thereof, is to any extent held or rendered invalid, it shall not necessarily be deemed indivisible or cause a dissolution of this Lease, but may be deemed independent and the Lease continued if the remaining provisions can fulfill the intended purposes of the Lease.

14.6 Survival. All obligations (including monetary obligations as set forth in this Lease) accruing prior to expiration of the Term shall survive the expiration or other termination of this Lease; provided, that any monetary obligation of Lessor shall be subject to the provisions of N.C. Gen. Stat. § 143C-6-8.

14.7 Applicable Law. This Lease and all contracts related to the Leasehold Improvements, shall be governed by, construed under and interpreted in accordance with the laws of the State of North Carolina and enforced only in its General Court of Justice to the extent that any such actions will lie therein.

14.8 Construction. No provision of this Lease shall be construed against or interpreted to the disadvantage of either Party by any court or other governmental or judicial authority by reason of such Party's having or being deemed to have prepared or imposed such provision.

14.9 Lessor's Remedies Cumulative. The rights and remedies of Lessor specified in this Lease shall be cumulative and in addition to any other rights and/or remedies otherwise available, whether or not specified in this Lease.

14.10 Authority. Each person executing this Lease on behalf of the Parties does hereby represent and warrant that that this Lease was duly approved by the governing body of each Party, that this Lease is the act and deed of the Parties, that the Parties have full lawful right and authority to enter into this Lease and to perform all of its obligations hereunder, and that each person signing this Lease on behalf of the Parties is duly and validly authorized to do so.

14.11 Relationship between Parties. Nothing in this Lease shall be construed to render the Lessor in any way or for any purpose a partner, joint venturer, or associate in any relationship with Lessee other than that of Lessor and Lessee, nor shall this Lease be construed to authorize either to act as agent for the other.

14.12 Interpretation. The use of headings, captions and numbers in this Lease is solely for the convenience of identifying and indexing the various provisions in this Lease and shall in no event be considered otherwise in construing or interpreting any provision in this Lease. Feminine or neuter pronouns shall be substituted for those of the masculine form, and the plural may be substituted for the singular number in any place or places herein in which the context may require such substitution or substitutions.

14.13 Terms. Capitalized terms used in this Lease shall have the meanings ascribed to them at the point where first defined, irrespective of where their use occurs, with the same effect as if the definitions of such terms were set forth in full and at length every time such terms are used.

14.14 Counterparts. This Lease may be executed in two or more counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument.

14.15 Prohibition on Gifts. North Carolina General Statute § 133-32 and Executive Order 24 prohibit the offer to, or acceptance by, any employee of Lessor of any gift from anyone with a contract with Lessor, or from any person seeking to do business with Lessor. By execution of this Lease, Lessee attests, for its entire organization, including its employees or agents, that it is not aware that any such gift has been offered, accepted, or promised by any employees of its organization.

14.16 Memorandum of Lease for Recording. At the request of either Party, Lessor and Lessee shall execute a memorandum of this Lease for recording in the public records at the requesting Party's sole cost and expense. Such memorandum of Lease shall identify the Parties, describe the Land, specify the Term and incorporate this Lease by reference.

14.17 Notices. All notices, requests and other communications hereunder shall be deemed to have been fully given, by either Party to the other, when made in writing and either deposited in the United States mail (sent certified, return receipt requested); personally delivered; or transmitted by overnight courier for next business day delivery to the addresses of Lessor and Lessee set forth below, or to such other addresses as the Parties may, from time to time, designate by written notice.

If intended for Lessor, addressed to Lessor, at:

North Carolina Department of Health and Human Services
c/o Property Officer
2001 Mail Service Center
Raleigh, North Carolina 27699-2001

w/ copy to: State Property Office
Attn: Manager, Leasing and Space Planning Section
1321 Mail Service Center
Raleigh, North Carolina 27699-1321

If intended for Lessee, addressed to Lessee, at:

City Manager
P.O. Box 590
Raleigh, North Carolina 27602

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w/copy to: City Attorney's Office
P.O. Box 590
Raleigh, North Carolina 27602

14.18 Estoppel Certificate. Upon request therefor by Lessee, Lessor shall, without unreasonable delay, execute and deliver to Lessee, or its mortgagee, a sworn statement in recordable form, mutually satisfactory to Lessor and the requesting party, and directed to any mortgagee, purchaser, or other transferee of Lessee, and/or Lessee, certifying any facts that are true with respect to the Leased Premises, the Leasehold Improvements or this Lease, including without limitation (if such be the case) that this Lease is in full force and effect, that Lessee is lawfully in possession of the Leased Premises and the Leasehold Improvements and is not in default hereunder, and that there are no defenses or offsets to the Lease claimed by Lessor.

14.19 Leasehold Financing. Lessee shall have the right during the Term of this Lease to subject the Lessee's Leasehold Improvements to one or more loans. For this purpose, Lessee may subject Lessee's Leasehold Improvements to a mortgage or deed of trust (the "Mortgage," and the holder thereof being the "Lessee Mortgagee" or "Mortgagee"), without Lessor's prior written consent; which Mortgage shall constitute a lien on Lessee's Leasehold Improvements, and all of Lessee's interest therein, subject, however, to the following:

A. Lessor shall not be liable for the payment of the sum secured by such Mortgage, nor for any expenses in connection with the same, and neither such Mortgage, nor any instrument collateral thereto shall contain any covenant or other obligation on Lessor's part to pay such debt, or any part thereof, or to take any affirmative action of any kind whatsoever, other than the execution and delivery of such instruments. Furthermore, such Mortgage shall expressly provide that the Mortgagee and the Trustee therein will seek no money judgment against Lessor.

B. Lessor will give to the Mortgagee a copy of any notice or other communication from Lessor to Lessee hereunder, at the time of giving such notice or communication to Lessee, and notice of any rejection of this Lease by any trustee in bankruptcy of Lessee. Lessor will not exercise any right, power or remedy with respect to any Default hereunder, and no notice to Lessee of any such Default and no termination of this Lease in connection therewith shall be effective, unless Lessor shall have given to the Mortgagee written notice, or a copy of its notice to Lessee, of such Default or any such termination, as the case may be.

C. Lessor will not exercise any right, power or remedy with respect to any Event of Default hereunder until the expiration of any grace period provided herein with respect thereto, plus an additional period of sixty (60) days after Lessor has given to the Mortgagee written notice of such Default, or a copy of its notice to Lessee of such Default. Lessor will not exercise any right, power or remedy with respect to any Default hereunder if: the Mortgagee within such sixty (60) day period shall give to Lessor written notice that the Mortgagee intends to undertake the correction of such Default or cause the same to be corrected; and, the Mortgagee shall thereafter prosecute diligently the

correction of such Default, whether by exercise on behalf of Lessee of its obligations hereunder, entry on the Demised Premises or the Lessee's Leasehold Improvements, institution of foreclosure sale proceedings, or otherwise.

D. Lessor or the Mortgagee may, after Default hereunder, make any payment or perform any act required hereunder to be made or performed by Lessee with the same effect as if made or performed by Lessee (after notice to the Mortgagee or Lessor, as the case may be), provided that no entry by Lessor or the Mortgagee upon the Demised Premises or the Lessee's Leasehold Improvements for such purpose shall constitute or be deemed to be an eviction of Lessee and shall not waive or release Lessee from any obligation or Default hereunder (except any obligation or Default which shall have been fully performed or corrected by such payment or performance by the Mortgagee).

E. So long as the Mortgage shall be a lien upon Lessee's interest hereunder, Lessor shall not declare the Lease forfeited, or re-enter, take possession of or relet the Demised Premises, or similarly enforce performance hereof in a mode provided by law, or terminate the Lease or take any action which would lead to the termination hereof, and this Lease shall not terminate, by reason of any condition or event which is not susceptible of being corrected or eliminated by the Mortgagee. If any such condition or event shall have occurred and be continuing, Lessor may, by notice to the Mortgagee and Lessee, require Lessee to assign its interest hereunder to the Mortgagee or its nominee. The happening of any such condition or event (including, without limitation, any rejection of this Lease by Lessee, or Lessee's trustee in bankruptcy, reorganization, arrangement or similar proceeding) which would, if it were not for this section, cause this Lease to terminate, shall, without any action or consent by Lessor, Lessee or the Mortgagee, effect the transfer of Lessee's interest hereunder to the Mortgagee or its nominee. The Mortgagee may terminate this Lease upon any such transfer upon giving notice thereof to Lessor no later than 30 days after notice from Lessor of such transfer. Upon any such termination, the Mortgagee shall have no further rights or obligations as a transferee of Lessee with respect to the Demised Premises or the Lessee's Leasehold Improvements (including, without limitation, any rights or obligations which may have accrued prior to such termination). F. Lessor will not unreasonably withhold its consent to similar financing arrangements by a permitted sublessee of improvements of the Leased Property.

14.20 Non-Appropriation. Lessee's payment obligations hereunder are subject to the appropriation of funds by Lessee's legislative governing body; provided that such failure to appropriate funds to satisfy Lessee's payment obligations hereunder shall not excuse any Event of Default or preclude Lessor from exercising any of its available remedies upon the occurrence of any Event of Default. The Parties acknowledge that no provision of the Lease shall be construed or interpreted as creating a pledge of the faith and credit of Lessee within the meaning of any constitutional debt limitation. The Lease shall not directly or indirectly or contingently obligate Lessee to make any payments beyond those appropriated in the sole discretion of Lessee's governing board for any fiscal year in which the Lease is in effect. The taxing power of

Lessee is not and may not be pledged directly or indirectly or contingently to secure any monies due under the Lease.

[signatures on following pages]

IN TESTIMONY WHEREOF, this Lease has been executed by the Parties, in duplicate originals, as of the dates set forth in the notary acknowledgments below.

LESSEE:

CITY OF RALEIGH

By: Nancy McFarlane
Nancy McFarlane, Mayor

By: J. Russell Allen
J. Russell Allen, City Manager

ATTEST:

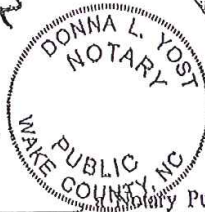
Gail G. Smith (Seal)
Gail G. Smith, City Clerk

APPROVED AS TO FORM:

Thomas A. McCormick
Thomas A. McCormick, City Attorney

STATE OF NORTH CAROLINA

COUNTY OF Wake



I, Donna L. Yost, Notary Public in and for the aforesaid County and State do hereby certify that Gail G. Smith, with whom I am personally acquainted, who, being by me duly sworn, says that she is the City Clerk and Treasurer and Nancy McFarlane is the Mayor and J. Russell Allen is the City Manager of the City of Raleigh, the municipal corporation described in and which executed the foregoing; that she knows the corporate seal of said municipal corporation; that the seal affixed to the foregoing instrument is said corporate seal, and the name of the municipal corporation was subscribed thereto by the said City Clerk and Treasurer and that the said seal was affixed, all by order of the governing body of said municipal corporation, and that the said instrument is the act and deed of said municipal corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal, this the 18th day of December, 2012.

My commission expires: 2/13/15

Donna L. Yost
Notary Public
Print Name: Donna L. Yost

LESSOR:

STATE OF NORTH CAROLINA

By: Beverly E. Perdue
Governor

ATTEST:

Elaine F. Marshall
Secretary of State

APPROVED AS TO FORM:
ROY COOPER, Attorney General

By: _____
Assistant Attorney General

STATE OF NORTH CAROLINA

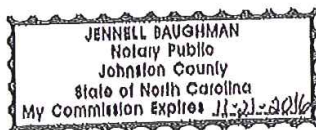
COUNTY OF WAKE

I, Jennell Baughman, a Notary Public for
Johnston County, North Carolina, do certify that ELAINE F. MARSHALL,
Secretary of State of the State of North Carolina, personally came before me this day and
acknowledged that she is Secretary of State of the State of North Carolina, and that by authority
duly given and as the act of the State, the foregoing instrument was signed in its name by
BEVERLY EAVES PERDUE, Governor of the State of North Carolina, sealed with the Great
Seal of the State of North Carolina, and attested by herself as Secretary of State.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal, this the 28th
day of December, 2012.

My commission expires: 11-21-2016

Jennell Baughman
Notary Public
Print Name: Jennell Baughman



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Exhibit A

Description of the Land

Page 23 of 26

Exhibit B

Description of Retained Premises

The Retained Premises consists of a total of approximately 1,492,650 square feet or 34.27 acres, as more particularly described in Schedule B-1.

Exhibit C

Notice of Surrender of Retained Premises (or portion thereof)

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Exhibit D

Buildings, Improvements and Structures

Building, Improvements and Structures located on the Land are listed below and are further listed and depicted on the map attached hereto and incorporated herein as Schedule D-1.

1. Adam's (Secretary's Office)
2. Ashby
3. Scott
4. Counell
5. Spring Hill
6. Cherry
7. Kirby
8. Williams
9. Lineberger
10. Wright
11. Edgerlon
12. Haywood Gym
13. Ruggles
14. Hoey
15. Broughton
16. Clark
17. Brown
18. Dobbin
19. McBryde / Dorothea Dix
20. Spruill
21. Royster
22. Chapel
23. Harvey
24. Anderson
25. Taylor
26. Dix Day Care

Return To: City of Raleigh, c/o City Attorney's Office
P.O. Box 590
Raleigh, North Carolina 27602

STATE OF NORTH CAROLINA

MEMORANDUM OF LEASE

COUNTY OF WAKE

THIS MEMORANDUM LEASE is made as of the last date set forth in the notary acknowledgment below, by and between the STATE OF NORTH CAROLINA, a body politic and corporate (hereinafter referred to as "Lessor") and the CITY OF RALEIGH, a North Carolina municipal corporation (hereinafter referred to as "Lessee").

Lessor and Lessee entered into a Lease Agreement dated _____, 2012 (the "Lease"), the terms and covenants and conditions of which are hereby incorporated in this Memorandum of Lease, for a term of seventy-five (75) years ("Term"), commencing on the 31st day of December, 2012, and expiring on the 30th day of December, 2087 at 2400 hours. If Lessee is not in default under Lease, Lessee shall have the option in accordance with the terms and conditions set forth in the therein, to renew the Lease for one (1) additional twenty-four (24) year period, extending the maximum possible Term to the 30th day of December, 2111.

In consideration of the terms, covenants, conditions and rental as set forth in the Lease, Lessor leased to Lessee the Land, which is more particularly described in the Lease, and is generally described for the purpose of this Memorandum of Lease as being those certain parcels or tracts of land located in the City of Raleigh, Wake County, North Carolina comprising a total of approximately three hundred twenty-five acres, more or less, and including all improvements situated thereon as of the commencement date of the Lease, as said parcels or tracts of land are shown and more particularly described on Exhibit A attached hereto and incorporated herein by this reference.

[Signatures begin on following page]

IN TESTIMONY WHEREOF, this Memorandum of Lease has been executed by the parties hereto, in duplicate originals, as of the dates set forth in the notary acknowledgement below.

LESSEE:

CITY OF RALEIGH

By: Nancy McFarlane
Nancy McFarlane, Mayor

By: J. Russell Allen
J. Russell Allen, City Manager

ATTEST:

Gail G. Smith (SBAL)
Gail G. Smith, City Clerk

APPROVED AS TO FORM:

Thomas A. McCormick
Thomas A. McCormick, City Attorney

STATE OF NORTH CAROLINA

COUNTY OF Wake



I, Donna L. Yost, a Notary Public in and for the aforesaid County and State do hereby certify that Gail G. Smith, with whom I am personally acquainted, who, being by me duly sworn, says that she is the City Clerk and Treasurer and Nancy McFarlane is the Mayor and J. Russell Allen is the City Manager of the City of Raleigh, the municipal corporation described in and which executed the foregoing; that she knows the corporate seal of said municipal corporation; that the seal affix to the foregoing instrument is said corporate seal, and the name of the municipal corporation was subscribed thereto by the said City Clerk and Treasurer and that the said seal was affixed, all by order of the governing body of said municipal corporation, and that the said instrument is the act and deed of said municipal corporation

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal, this the 28th day of December, 2012.

My commission expires: 2/13/15

Donna L. Yost
Notary Public
Print Name: Donna L. Yost

LESSOR:

STATE OF NORTH CAROLINA

By: Beverly E. Perdue
Governor

ATTEST

Elaine F. Marshall
Secretary of State

APPROVED AS TO FORM:
ROY COOPER, Attorney General

By: _____
Assistant Attorney General

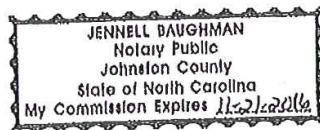
STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, Jennell Baughman, A Notary Public for
Johnston County, North Carolina, do certify that ELAINE F. MARSHALL,
Secretary of State of the State of North Carolina, personally came before me this day and
acknowledged that she is Secretary of State of the State of North Carolina, and that by authority
duly given and as the act of the State, the forgoing instrument was signed in its name by
BEVERLY HAVES PERDUE, Governor of the State of North Carolina, sealed with the Great
Seal of the State of North Carolina, and attested by herself as Secretary of State.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal, this the 28th day
of December, 2012.

My commission expires: 11-21-2016
Notary Public Jennell Baughman
Print Name: Jennell Baughman



SCHEDULE B-1

Building and Parking Area Estimate for Dix Campus
11-Dec-12

Building	Building Footprint Area (SF)	Parking Area (SF)	Notes on Parking Area Calculation
Adams	11,720	66,140	Visitors lot in front and 2 lots in back
Ashby	7,410	24,920	Dock area, area North of Umstead & rear lots
Anderson	20,920	4,370	Area to the North of Palmer Drive
Brown	14,360	27,240	This is the big parking area on the other side of Biggs
Broughton	14,990	64,720	
Chapel	10,250	8,220	See SE of Chapel on Umstead & See NW on Richard
Chiller Plant	9,770	2,410	
Clark	16,100	20,430	Includes Parking for Brown Building
Dobbins	12,010	4,560	This is the lot to the SW along Biggs Drive
Edgerton	9,250	17,610	Includes lots to the SE & SW
Engineering	5,340	45,360	Includes lot on Whiteside and lots to the S & E
Harvey	8,760	20,220	Two areas in the back and all of Pkoi Drive
Hargrove	7,710	57,210	Main Pkg in front of McBryde inc. all grassy medians
Haywood	25,320	21,930	Inc. lots to SE, SW and two lots along Ruggles Dr.
Hosy	10,240	19,280	Includes lots to the East & SW
Houses:			
House E. of Chiller Plant	2,720	8,020	This is the lot to the East of this house
House W. of Anderson	3,400	9,800	This is the lot to the East of this house
3 Stone Houses	3,550	9,650	Two areas
5 on Tate facing Western	8,520	4,570	Parking is for the two houses furthest North
6 on Richardson Dr.	9,430	770	Parking is for the two houses furthest North
3 on Stencil	4,650	5,020	Parking areas are South and West of these houses
7 on inside Richardson Cir	6,750	1,230	
4 on outside Richardson Cir	5,490	2,220	Parking for old BSL-3
Greenhouse	1,630	3,430	
Kirby	23,860	91,700	
Laundry	7,110	10,740	
Lineberger	12,470	18,110	
McBryde	162,460	44,520	Bldg area inc courtyards. Pkg = Cafeteria Dr & lot E of McV & parking in S. courtyard
Paint Shops (2 bldgs)	4,420	38,000	
Royster	11,430	20,490	
Ruggles	8,920	4,200	Includes parking in front and dock area
Scott	6,650		Included in Ashby parking area.
Shops (2 buildings)	14,610	42,090	Areas E of garage, N of Eng & lot on Whiteside
Spruill	15,580		Included in McBryde parking area
Spruill Annex	6,610		Included in McBryde parking area
Steam Plant	6,560	17,100	
Taylor	6,250	29,000	This is the area behind Anderson & Taylor
Warehouse	21,160		Included in Wright parking area.
Williams	12,580	39,800	
Wright	12,100	28,410	Area between Wright and the Warehouse
Pkg area N. of Hargrove		36,540	
Big Pkg area NE of Royster		59,560	Includes most of the grassy medians
Total Estimated Area (SF):	563,060	929,590	
Total Estimated Area (acres):	12.9	21.3	
General Notes: the information contained in this spreadsheet is not based on official survey documents, but rather is derived from a compilation of various unofficial maps and drawings, and no guarantee of accuracy of the information is implied or warranted.			

SCHEDULE D-1



Department of Health and Human Services

Campus Key

- | | |
|----------------------------|-------------------------|
| 1. Adams (Security Office) | 14. Key |
| 2. Adley | 15. Brangman |
| 3. Scott | 16. Clark |
| 4. Council | 17. Brown |
| 5. Spring Hill | 18. Dobson |
| 6. Cherry | 19. McSpur / Dorcas Dix |
| 7. Kiley | 20. Spaul |
| 8. Williams | 21. Royter |
| 9. Lindberger | 22. Chapel |
| 10. Wright | 23. Harvey |
| 11. Espinosa | 24. Anderson |
| 12. Espinosa Gym | 25. Taylor |
| 13. Buggles | 26. Dix Dry Care |

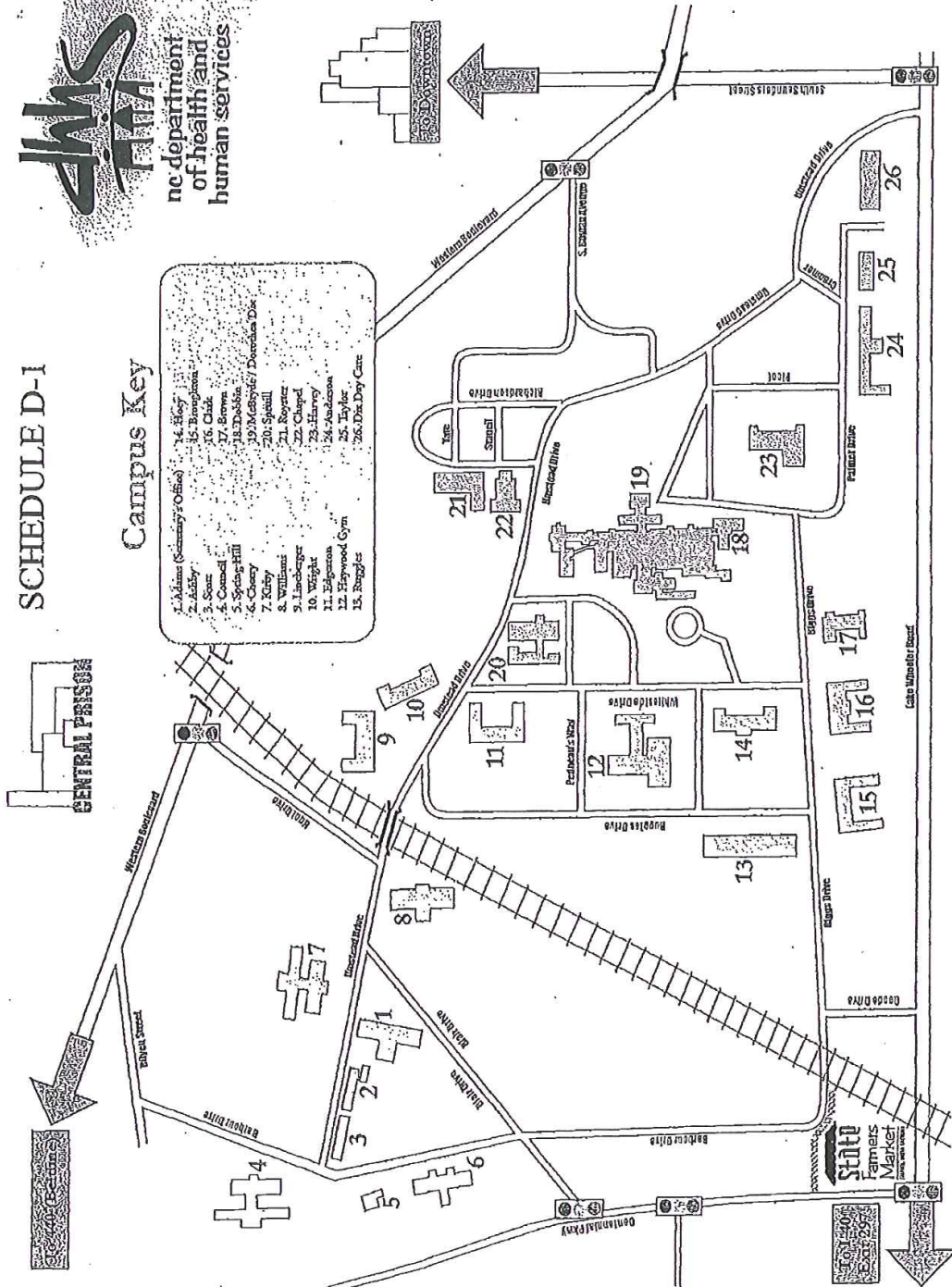


EXHIBIT
B



STATE OF NORTH CAROLINA

LEASE AGREEMENT

COUNTY OF WAKE

This LEASE AGREEMENT is entered into on the 18th day of April, 1997
by and between the STATE OF NORTH CAROLINA, hereinafter referred to as the "Lessor",
and the CITY OF RALEIGH, a North Carolina municipal corporation, hereinafter referred to as
the "Lessee".

WITNESSETH:

WHEREAS, the Lessor is the owner of property commonly known as the Dorothea Dix
Hospital property, and is willing to grant the Lessee a lease to portions of such property for
public recreational purposes; and

WHEREAS, the Lessee owns property adjacent to the Wilders Grove Sanitary Landfill,
Wake County, and is willing to lease to the Lessor such property for construction and use of the
Wake Detention Center facility; and

WHEREAS, the execution of this agreement for and on behalf of the State of North
Carolina has been duly approved by the Governor and Council of State at a meeting held in the
City of Raleigh, North Carolina, on the 7 day of JANUARY, 1997; and

WHEREAS, as part of the mutual undertakings between the Lesssor and the Lessee, the
parties have agreed to the following Terms and Conditions of the Lessee's lease of the Lessor's
property.

NOW, THEREFORE, in consideration of one dollar, the aforesaid exchange of interests
in real property, and the further mutual terms, covenants and conditions set forth herein, the
Lessor and Lessee agree as follows:

I. LEASE OF PREMISES: DESCRIPTION

The Lessor hereby leases and demises unto the Lessee the premises consisting of approximately 60 acres situated on the Dorothea Dix campus, and more particularly described in Exhibit 1, attached, and further as shown on that plat attached and incorporated hereinto as Exhibit 2.

II. TERM

The Lease Term shall be for 70 years from the date of execution hereof. The Lessor may require the Lessee to vacate any area of the leased premises required as right-of-way for, or in conflict with, the proposed widening or relocation of Hunt Drive by the Lessor; provided further, in such event the Lessor will give the Lessee one year's notice to vacate such portions of the premises. The Lessor will have final authority over the location, relocation and/or widening of Hunt Drive. The Lessee agrees that it will not prevent or interfere with the approval for or execution of such relocation and/or widening and will support such widening. The Lessor shall deliver possession of the premises to the Lessee on the execution date of this Lease Agreement. Lessee accepts the premises in its existing (i.e., "as is") condition, and Lessee acknowledges that Lessor is not obligated to make any improvement to the premises.

III. PURPOSE: USE OF PREMISES

The Lessee, during the lease term, shall use the premises as a recreational facility, consisting of play and practice areas for field sports and related activities and events, and including off-street parking ancillary to such uses. Such use shall be limited to periods between 5:30 p.m. and sundown Mondays through Fridays and 8:30 a.m. to sundown on Saturdays and

Sundays. Lessor shall have joint use of the leased premises during the week days and prior to 5:30 p.m. for purposes not inconsistent with the Lessee's use of the property. Lessee shall have overall responsibility for the management of activities on the premises, and shall not allow any uses of the premises in violation of law, ordinances, or which constitute a nuisance to the use and enjoyment of adjacent properties. It is understood that the use of the property by the Lessee is consistent with the Capital Area Master Plan, Dorothea Dix Campus, as prepared by O'Brian/Atkinson Associates, PA dated December, 1995, and Lessee's use of the premises will comply with changes or revision to said Master Plan.

IV. IMPROVEMENTS TO PREMISES

Lessee is authorized to make improvements to the premises as necessary for development and construction of the recreational facility. Such improvements may include, but are not limited to, alterations in grading and other topographical modifications, landscaping, utilities, and other improvements and amenities incidental to the use of the recreation facility; however, in no event will the Lessee bore, drill or excavate the existing surface of the leased premises. Construction of permanent improvements or fixtures must have written approval from the Lessor prior to construction. An area ninety (90) feet in width measured from the back of the proposed curb on Hunt Drive and Umstead Drive will be reserved as a buffer for landscaping and no recreational use, parking or related activity will be permitted in this area. The Lessor shall have unrestricted use of the buffer areas for landscaping. The Lessee shall specifically construct an earthen berm six (6) feet in height and located adjacent to the western portion of the buffer on Hunt Drive and the northern portion of the buffer on Umstead Drive generally identified and located on Exhibit 2 hereof. The Lessee's improvements to the premises will be implemented in phases, representing a staged development of athletic fields. Implementation of the first phase (a

single field or first group of fields) will be completed in two years, subject to the availability to the Lessee of fill material for this purpose. In no event will any use of the premises for athletic field purposes be commenced until final installation of the earthen berms/buffers referenced above. In the development of the recreational facility on the premises, the Lessee shall be entitled to have and install only two (2) curb cuts serving as accesses to the facility along Hunt Drive, located as shown on Exhibit 2 hereof. The Lessee, through its contractor (s), shall repair and have overall responsibility for, and hold the Lessor harmless from, any damage to existing roads, shelters, culverts, ditches or other improvements to the Dorothea Dix Campus resulting from construction of the recreational facility.

V. LESSEE COVENANTS

The Lessee shall maintain the premises and recreational facility in a clean, safe, and attractive condition at all times. Lessee shall bear all expenses of maintenance, repair, and upkeep of the premises and facility, and shall be responsible for the cost of all utility services to the premises during the term of the Lease. Lessee agrees to release, discharge, indemnify and hold harmless the Lessor from all liability, claims and actions arising out of the use of the facility and premises by the Lessee, its contractors, representatives, employees, agents, patrons or invitees.

VI. LESSOR COVENANTS

During the lease term, Lessee shall peaceably and quietly hold and enjoy the premises without hindrance or interruption by Lessor, or anyone claiming by, through or under the Lessor, for the purposes herein enumerated, so long as Lessee observes all terms covenants and conditions to be performed and observed.

VII. OTHER AGREEMENTS

1. During the lease term, Lessee, its contractors, employees, agents, patrons and invitees may have access to and use for parking purposes the paved parking lot located to the east of and across from the Council Building Street from Barbour Drive, being further identified and located on Exhibit 2 hereof. Such parking uses shall be limited to periods after 5:30 p.m., during the week and beginning at 8:30 a.m. on weekends. Such use shall not interfere with uses and activities of the Lessor of adjacent properties on the Dorothea Dix campus, and will be subject to continuing review and approval and/or cancellation by the Lessor.

2. Located within the leased premises are three berm/landscaped areas north and east of an existing cemetery which is located immediately outside the leased premises, all as shown on Exhibit 2, attached. The Lessee will preserve the berms and landscaped areas during the development of the site for athletic field purposes; provided, it is acknowledged that some relocation or replanting of landscaping materials may be unavoidable, and any relocation or replanting of the existing landscaped area/berms will be subject to the prior review and approval of the Lessor.

3. The Lessor will exercise its best efforts to provide the Lessee with up to 45,000 cubic yards of fill dirt, to be used in conjunction with the Lessee's development of the premises as a recreation facility.

VIII. Miscellaneous

1. This lease may not be assigned or subleased by Lessee without the express written approval of the Lessor, except to the Capital Area Soccer League for use as soccer fields.

2. Upon reasonable notice to the Lessee, the Lessor shall have the continuing right of entry upon the property at reasonable times and in a reasonable manner for purposes of

inspecting and monitoring the property and other reasonable uses and purposes not inconsistent with the Lessee's use of the premises.

3. Upon the expiration or other termination of this Lease, the Lessee shall surrender the premises to Lessor in good condition; however, the Lessee will have the option of negotiating an extension to the term and use of the lease. Upon such termination, the Lessee shall be entitled to remove only its personal property and trade fixtures, provided such is done in a manner not to adversely affect the condition of the property.


4. During the Lease Term, notices and communications between the Lessor and Lessee shall be directed as follows:

Lessor - DHR Property and Construction Office
101 Blair Drive
Raleigh, NC 27603

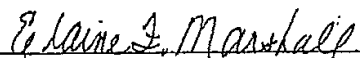
Lessee - City Manager
P. O. Box 590
Raleigh, NC 27602

5. Lessor and Lessee will, upon execution of this Agreement, join in the execution of a Memorandum of Lease (to be prepared by the Raleigh City Attorney's Office), in proper form for recordation in the Office of the Register of Deeds of Wake County, and fees and expenses of such recordation to be borne by the Lessee.

WHEREUPON, the Lessor and Lessee have execute the foregoing in their official names by the signatures of their proper officials, with the official seals affixed, the date and year first above written.


THE STATE OF NORTH CAROLINA
Governor

ATTEST:



Secretary of State

APPROVED AS TO FORM:

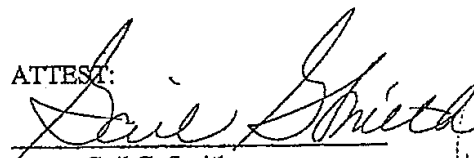
Michael F. Easley
Attorney General

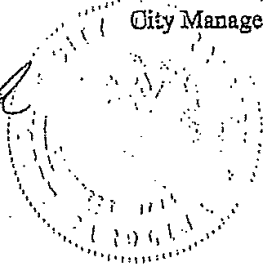

Assistant Attorney General

THE CITY OF RALEIGH

By: 
D. E. Benton, Jr.
City Manager

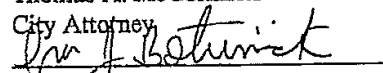
ATTEST:


Gail G. Smith
City Clerk & Treasurer



APPROVED AS TO FORM:

Thomas A. McCormick
City Attorney


By: Deputy Attorney

STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, Cheylh Myers, a Notary Public in and for the County and State aforesaid, do hereby certify that ELAINE F. MARSHALL, Secretary of State of North Carolina, personally came before me this day and acknowledged that she is Secretary of State of NORTH CAROLINA, and that by authority duly given as the act of the State, the foregoing instrument was signed in its name by JAMES B. HUNT, JR., Governor of the State of NORTH CAROLINA, sealed with the Great Seal of the State of North Carolina, and attested by herself as Secretary of State of North Carolina.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal, this the 18th day of April, 1997.

Cheylh Myers
Notary Public

(SEAL)

My Commission Expires: 5-9-98

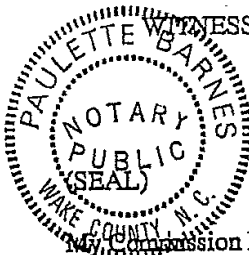
NORTH CAROLINA

COUNTY OF WAKE

This is to certify that on the 20th day of February, 1997, before me personally came Gail G. Smith, with whom I am personally acquainted, who, being by me duly sworn, says that she is the City Clerk and Treasurer and D.E. Benton, Jr., is the City Manager of the City of Raleigh, the municipal corporation described in and which executed the foregoing; that she knows the corporate seal of said municipal corporation; that the seal affixed to the forgoing instrument is said corporate seal, and the name of the municipal corporation was subscribed thereto by the said City Clerk and Treasurer and that the said corporate seal was affixed, all by order of the governing body of said municipal corporation, and that the said instrument is the act and deed of said municipal corporation.

IN WITNESS my hand and official seal this the 20th day of February, 1997.

Paulette Barnes
Notary Public



My Commission Expires: 1-12-2000

Approximate Area is 60 Acres described as the area confined by the west curb line of Hunt Drive beginning from a point at the intersection of Hunt Drive western curb line with the southern margin of the Greenway Easement in favor of the City of Raleigh south of Western Boulevard. Thence, in a southerly direction, along the western curb line of Hunt Drive to its intersection with the northern curb line of Umstead Drive. Thence, in a westerly direction, along the northern curb line of Umstead Drive to a point 100.00 feet from the southeast corner of the Kirby parking area, which is the first parking area encountered on the north side of Umstead Drive. Thence, in a northerly direction, 100.00 feet east and parallel to the eastern border line of said Kirby parking area for a distance of approximately 90 feet to a point. Thence, in a northwesterly direction approximately 180 feet to the eastern border line of said Kirby parking area, said point also being approximately 40 feet south of the northeast corner of said Kirby parking area. Thence, in a northerly direction approximately 40 feet to the northeastern corner of said Kirby parking area. Thence, in a northerly direction, to the southeastern corner of a Cemetery. Thence, in a northerly direction, along the eastern line of said Cemetery to the northeastern corner of said Cemetery. Thence, in a westerly direction, along the northern line of said Cemetery to the northwestern corner of said Cemetery. Thence, in a southerly direction, along the western line of said Cemetery approximately 250 feet to a calculated point. Thence, in a westerly direction and parallel to the northern line of said Cemetery approximately 900 feet to a calculated point. Thence, in a northerly direction, along a line 100 feet east of and parallel to the eastern border line of a parking area approximately 390 feet to a calculated point. Thence, in an easterly direction, parallel to the northern line of said Cemetery approximately 525 feet to a calculated point. Thence, in a northerly direction passing and touching the eastern border of Kendall Circle and continuing to a point in the southeast corner of the Pullen Park Terrace subdivision. Thence, in a northerly direction, along the eastern border line of said Pullen Park Terrace and the eastern border of Kirby Street to the intersection of the southern border of Western Boulevard Right of Way. Thence, in an easterly direction, along Western Boulevard Southern Right of Way line and the Greenway Easement in favor of the City of Raleigh to the point and place of beginning.

[illegible]

STATE OF NORTH CAROLINA

LEASE AGREEMENT

COUNTY OF WAKE

THIS LEASE AGREEMENT is entered into this the 20th day of December, 1999, by and between the **STATE OF NORTH CAROLINA**, hereinafter referred to as the "Lessor", and **THE HEALING PLACE OF WAKE COUNTY**, a North Carolina corporation, hereinafter referred to as the "Lessee".

WITNESSETH:

WHEREAS, the Lessor is the owner of property commonly known as the Dorothea Dix Hospital property, and is willing to grant the Lessee a lease to portions of such property for a non-medical detoxification, recovery and rehabilitation facility.

WHEREAS, the execution of this agreement for and on behalf of the State of North Carolina has been duly approved by the Governor and Council of State at a meeting held in the City of Raleigh, North Carolina, on the 7th day of July, 1999; and

WHEREAS, as part of the mutual covenants between the Lessor and the Lessee, the parties have agreed to the following terms and conditions of the Lessee's Lease of the Lessor's property.

NOW, THEREFORE, in consideration of ONE DOLLAR (\$1.00), and the further mutual terms, covenants and conditions set forth herein, the Lessor and Lessee agree as follows:

I.

LEASE OF PREMISES: DESCRIPTION

The Lessor hereby leases and demises unto the Lessee the premises consisting of approximately 4.377 acres of land situated on the Dorothea Dix campus, and more particularly described in Exhibit A, attached, and further as shown on that plat attached and incorporated herein as Exhibit B.

II.

TERM

The Lease term shall be for twenty five (25) years from the date of execution hereof. The Lessee shall have the option to renew this Lease for one (1) additional ten (10) year period and shall provide the Lessor no less than six (6) months written notice of the intent to renew prior to the Lease expiration date. The rental during the renewal period shall be ONE DOLLAR (\$1.00). The remaining terms and conditions of this Lease shall remain the same.

(a) Commencement/Completion of the Facility. The Lessee agrees to commence construction of the facility within three hundred sixty-five (365) days of the execution of this Ground Lease, to proceed with due diligence during the construction phase, and complete the facility.

III.

LESSEE COVENANTS

The Lessee shall maintain the premises and facility in a clean, safe, and attractive condition at all times. Lessee shall bear all expenses of maintenance, repair, and upkeep of the premises and facility, and shall be responsible for the cost of all utility services to the premises during the term of the Lease.

Lessee agrees to release, discharge, indemnify and hold harmless the Lessor from all liability, claims and actions arising out of the use of the facility and premises by the Lessee, contractors, representatives, employees, agents, patrons or invitees.

COMPLIANCE WITH APPLICABLE LAWS AND ORDINANCES

The Lessee agrees to comply with all laws, ordinances, rules, regulations, and requirements of all federal, state, and municipal governmental agencies which may be applicable to the construction, use, occupancy or management of the facility and other improvements.

HAZARDOUS MATERIALS

(a) The Lessor will not be responsible for any and all damage, loss or expense resulting from the existence on the Premises of any Hazardous Material generated, stored, disposed of or transported to or over the Premises prior to the effective date of this Ground Lease, or which is generated, stored, disposed of, or transported to or over the Premises by the State, or its officers, employees or agents, subsequent to the effective date of this Ground Lease. In this regard, it is specifically agreed that in carrying out the planning, construction and/or operation of the Improvements and/or the Premises, the Lessee is not acting as the agent of the Lessor. The premises are leased on an 'as-is'/where-is basis.

(b) The Lessee agrees, to the extent permitted by law, to indemnify the Lessor and hold the Lessor harmless from and against any and all liens, demands, defenses, suits, proceedings, disbursements, liabilities, losses, litigation, damages, judgments, obligations, penalties, injuries, costs, expenses (including, without limitation, attorneys' and experts' fees) and claims of any and every kind whatsoever paid, incurred, suffered by, or asserted against the Lessor with respect to, or as a direct or indirect result of: (I) the violation of any Environmental Laws applicable to the Facility, subsequent to the effective date of this Ground Lease, whether or not caused by or within the control of the Lessee; or (ii) the violation of any of the Environmental Laws in connection with any other property owned by the Lessor, subsequent to the effective date of this Ground Lease, which violation gives or may give rise to any rights whatsoever in any party with respect to the Facility by virtue of any of the Environmental Laws, whether or not such violation is caused by or within the control of the Lessor.

(c) For purposes of this Ground Lease: (I) "Hazardous Material" or "Hazardous Materials" means and includes, without limitation, (a) solid or hazardous waste, as defined in the Resource Conservation and Recovery Act of 1980, or in any applicable state or local law or regulation, (b) hazardous substances, as defined in the Comprehensive Environmental Response Compensation and Liability Act of 1980 ("CERCLA"), or in any applicable state or local law or regulation, (c) gasoline, or any other petroleum product or by-product, (d) toxic substances, or rodenticides, as defined in the Federal Insecticide, Fungicide, and Rodenticide Act of 1975, or in any applicable state or local law or regulation, as each such Act, statute, or regulation may be amended from time to time; (ii) "Release" shall have the meaning given such term, in Environmental Laws, including, without limitation, CERCLA; and (iii) "Environmental Law" or "Environmental Laws" shall mean "Super Fund" or "Super Lien" law or any other federal, state, or local statute, law, ordinance, or code, regulating, relating to or imposing liability or standards of conduct concerning any Hazardous Materials as may now or at any time hereafter be legally in effect, including, without limitation, the following, as same may be amended or replaced from time to time, and all regulations promulgated and officially adopted thereunder or in connection therewith: Super Fund Amendments and Reauthorization Act of 1986 ("SARA"); the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"); The Clean Air Act ("CAA"); the Clean Water Act ("CWA"); the Toxic Substance Control Act ("TSCA"); the Solid Waste Disposal Act ("SWDA"), as amended by the Resource Conservation and Recovery Act ("RCRA"); the Hazardous

Waste Management System; and the Occupational Safety and Health Act of 1970 ("OSHA"). All obligations and liabilities arising under this Paragraph which arise out of events or actions occurring prior to the expiration or termination of this Ground Lease shall survive the exercise of the power of sale under or foreclosure of a Deed of Trust which is based upon this Ground Lease, the delivery of a deed *in lieu* of foreclosure of a Deed of Trust which is based upon this Ground Lease, the assignment of this Ground Lease and the expiration, termination, cancellation or release of record of this Ground Lease.

USE OF THE FACILITY

The Facility and Improvements shall be used by the Lessee exclusively as a facility where non-medical detoxification, rehabilitation and comprehensive recovery programs may be conducted.

IV.

TAXES OR ASSESSMENTS

Any and all taxes and other assessments which may be levied upon the Premises, upon the Lessee's interest in the Premises and upon any alterations, additions and improvements thereon and/or upon the Lessee's personal property located upon the Premises shall be paid by the Lessee at the time when the taxes and other assessments become due and payable.

V.

INSURANCE

(a) Public Liability Insurance. The Lessee shall maintain, or cause to be maintained, in full force and effect and at its own expense, during the term of this Ground Lease commercial general public liability insurance covering bodily injury and property damage liability with limits of coverage of not less than Two Million Dollars (\$2,000,000.00) per occurrence, Four Million Dollars (\$4,000,000.00) products/completed operations aggregate and Four Million Dollars (\$4,000,000.00) general aggregate with a deductible or retention amount of not more than one hundred thousand dollars (\$100,000.00), as protection against all liability claims occurring on or about the Premises or growing out of the use and occupancy of the Premises. Lessee shall be named as additional insured on said policy. Notwithstanding the rights of any insurer, nothing herein shall affect the authority of the Attorney General of North Carolina, including but not limited to, the Attorney General's authority to represent the Lessor in any and all litigation.

The Lessee agrees to increase its insurance coverage as is equivalent to the then prevailing requirements in the relevant industry and community for the facilities and uses which are the subject of this Ground Lease.

(b) Property Coverage Insurance. Beginning on the date of its occupancy of the Facility, or upon the expiration or termination of the insurance described in subparagraph V(c)(3), below, whichever is earlier, the Lessee shall maintain, or cause to be maintained, at its own expense, property insurance against loss and/or damage to the Facility under a policy or policies covering such perils as are ordinarily insured against by similar facilities, including without limiting the generality of the foregoing, fire, lightning, windstorm, windblown rain, hail, explosion, riot, riot attending a strike, civil commotion, damage from aircraft, smoke and uniform standard extended coverage and vandalism and malicious mischief endorsements, war risk (to the extent obtainable from an agency of the United States Government) but in all cases equivalent to coverage afforded by ISO Special Form Property Insurance. Such insurance shall be in an amount not less than the lesser of (i) the full replacement costs of the Facility, or (ii) the debt balance of all outstanding financing, but any such policy may have a deductible amount of not more than \$100,000.00. No such policy of insurance shall be so written that the proceeds thereof will produce less than the minimum coverage required by the preceding sentence, by reason of co-insurance provisions or otherwise, without the prior written consent thereto by the Lessee. The term "full replacement cost" shall mean that actual replacement cost of the Facility (excluding foundation and excavation costs and costs of underground flues, pipes, drains, and other uninsurable items), without deduction for physical depreciation, and shall be determined once every three years by an insurance consultant, selected and paid for by the Lessee. Each such policy shall contain a replacement cost endorsement and agreed amount clause.

(c) Insurance During Construction.

1. Contractor's Commercial General Liability and Business Automobile Liability Insurance. The Lessee will procure and maintain, and/or will require each contractor entering into a construction contract for the construction of the Facility to procure and maintain, a form (a) commercial general public liability and property damage insurance, at its own costs and expense, during the duration of such contractor's construction contract, in the amount of at least \$1,000,000.00 bodily injury and property damage liability combined single limit each occurrence/annual aggregate (such insurance shall provide protection from all claims for bodily injury, including death, property damage and contractual liability, products/completed operations, broad form property damage and XCU (explosion, collapse and underground property damage), where applicable), and (b) business automobile liability insurance on owned, hired and non-owned vehicles for limits not less than \$1,000,000.00 each accident, bodily injury and property damage liability. Such policies shall include the Lessee and the Lessor as additional named insured, and shall include a provision prohibiting cancellation or termination within 30 days' prior notice. A certificate evidencing such coverage shall be provided to the Lessee and the Lessor with respect to each contractor entering into a construction contract.

2. Contractor's Workers Compensation Insurance. The Lessee will procure and maintain, and/or will require each contractor entering into a construction contract for the construction of the Facility to procure and maintain, statutory worker's compensation and employer's liability insurance during the term of its construction contract, covering its employees

working thereunder. Employer's liability insurance shall be written with the following limits: (i) \$1,000,000.00 each accident-bodily injury by disease, (ii) \$1,000,000.00 policy limit-bodily injury by accident and (iii) \$1,000,000.00 each disease-bodily injury by disease. Such insurance, if issued by a private carrier, shall contain a provision prohibiting cancellation or termination without at least 30 days' prior written notice to the Lessee and the Lessor. A certificate evidencing such coverage shall be provided to the Lessee and the Lessor or, if such insurance is provided by a private carrier, a completed certificate of insurance, in form acceptable to the Lessee and the Lessor, shall be provided to the Lessee and the Lessor with respect to each contractor entering into a construction contract. Each construction contract shall also provide that each subcontractor of any contractor who is a party to such construction contract shall be required to furnish similar worker's compensation insurance.

(d) Insurance Policies.

1. Certificates of insurance shall be delivered to the Lessor prior to the Lessee's occupancy of the Premises and prior to the expiration of the term of each such policy.

2. All such policies maintained by the Lessee shall be purchased only from insurers who are licensed to do business in the State of North Carolina, comply with the requirements thereof and who carry A.M. Best Company rating of ("A-IX" or "A+") and will provide that they may not be terminated nor coverage reduced except after thirty (30) days' prior written notice to the Lessor.

VI.

DESTRUCTION OF THE FACILITY

(a) Partial Destruction. If the Facility is partially destroyed by any cause, but in the judgment of the Lessee, can be repaired or restored to its prior condition, the Ground Lease shall continue in full force and effect. The Lessee shall notify the Lessor of its decision within ninety (90) calendar days of the destruction and promptly commence restoration of the Facility to the same condition as when built, reasonable wear and tear excepted. Restoration shall be pursued by the Lessee with due diligence and shall be accomplished within a reasonable time.

(b) Total Destruction. In the event the Facility is totally destroyed, the Lessee may elect to either rebuild a facility at least equivalent to the facility constructed as part of the original Facility or terminate this Ground Lease. Such election shall be exercised by giving notice to Lessor within ninety (90) calendar days of the destruction. The Lessee shall promptly commence such rebuilding, such rebuilding will be pursued by the Lessee with due diligence, and such rebuilding shall be accomplished within a reasonable time after the Lessee's election. If this Ground Lease is terminated under this Paragraph, the Lessee shall, to the extent reasonably practicable, restore the Land to its original condition.

VII.

TERMINATION

- (a) This Ground Lease shall terminate:
1. upon the expiration of the term of this Ground Lease at which time the Lessor shall at its option and without further written notice,
 - (a) have the right to require removal of the Improvements by the Lessee. The Lessee shall to the extent reasonably practicable, restore the Land to its original condition, or,
 - (b) have the right to accept the Premises in its current condition. In such instance, all Improvements placed on the land, along with the Lessee furnishings, fixtures, and equipment, which have not been removed, shall become a part of the freehold and the sole and absolute property of the Lessor, in fee simple absolute;
 2. upon a breach of this Ground Lease by the Lessee which is not cured after ninety (90) calendar days' written notice to the Lessee (or if such breach cannot be cured within ninety (90) calendar days, then within a reasonable period of time, provided the Lessee proceeds promptly and diligently to cure such default);
 3. if the Lessee fails to timely commence, proceed with due diligence and/or complete the Facility and Improvements, as set forth in this Ground Lease;
 4. if the Lessee ceases to exist; or
 5. at any time, if the Lessee, in its sole discretion, determines that it desires to discontinue utilization of the Premises or cease operation of the Facility and Improvements for any reason whatsoever. In such event, the Lessee shall give the Lessor ninety (90) days' written notice of termination of this Ground Lease.
- (b) Upon the termination of this Ground Lease under any of the circumstances set forth above, the Lessor shall have the immediate right to enter and take possession of the Premises.
- (c) The remedy set forth in Paragraph VI (b) shall not prevent the Lessor from pursuing any other remedy now or hereafter available to it under the laws of North Carolina.

VIII.

REPRESENTATIONS BY THE LESSOR

The Lessor represents, covenants and warrants that it has full authority and right to enter into and execute this Ground Lease and to perform the Ground Lease in accordance with the terms hereof, and that subject to the terms of this Ground Lease, the Lessee shall peaceably and quietly have, hold and enjoy the Premises throughout the term.

IX.

LESSOR COVENANTS

During the Lease term, Lessee shall peaceably and quietly hold and enjoy the premises without hindrance or interruption by Lessor, or anyone claiming by, through or under the Lessor, for the purposes herein enumerated, so long as Lessee observes all terms covenants and conditions to be performed and observed.

X.

MISCELLANEOUS

1. This Lease may not be assigned or subleased by Lessee without the express written approval of the Lessor.

2. Upon reasonable notice to the Lessee, the Lessor shall have the continuing right of entry upon the property at reasonable times and in a reasonable manner for purposes of inspecting and monitoring the property and other reasonable uses and purposes not inconsistent with the Lessee's use of the premises.

3. Upon the expiration or other termination of this Lease, the Lessee shall surrender the premises to Lessor in good condition. Upon such termination, the Lessee shall be entitled to remove only its personal property and trade fixtures, provided such is done in a manner not to adversely affect the condition of the property prior to the actual termination date.

4. During the Lease term, notices and communications between the Lessor and Lessee shall be directed as follows:

LESSOR - DHR Property and Construction Office
101 Blair Drive
Raleigh, North Carolina 27603

N. C. State Property Office
 1321 Mail Service Center
 Raleigh, NC 27699-1321

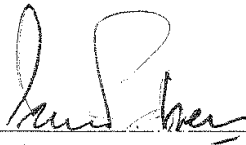
LESSEE - The Healing Place of Wake County
 Briggs Building
 220 Fayetteville Street Mall
 Raleigh, North Carolina 27601

5. Lessor and Lessee will, upon execution of this Agreement, join in the execution of a Memorandum of Lease in proper form for recordation in the Office of the Register of Deeds of Wake County, and fees and expenses of such recordation to be borne by the Lessee.


6. It is agreed that this lease shall not be subordinated without the express written consent of the Lessor.

WHEREUPON, the Lessor and Lessee have executed the foregoing in their official names by the signatures of their proper officials, with the official seals affixed, the date and year first above written.

THE HEALING PLACE OF WAKE COUNTY

BY 
 TITLE PRESIDENT

ATTEST:

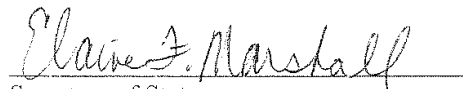

 Secretary

(SEAL)

STATE OF NORTH CAROLINA


Governor

ATTEST:


Secretary of State

ATTEST:

MICHAEL F. EASLEY
Attorney General


Assistant Attorney General

STATE OF NORTH CAROLINA

COUNTY OF FRANKLIN

I, KAREN V Keene, a Notary Public in and for the County and State aforesaid, do hereby certify that Robert H. Bilbo personally came before me this day and acknowledged that he is Secretary of THE HEALING PLACE OF WAKE COUNTY, and that by authority duly given and as an act of THE HEALING PLACE OF WAKE COUNTY, the foregoing instrument was signed by FRED BARBER, its President, attested by himself as Secretary, and sealed with the common seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal this the 24th day of November, 1999.

Karen V. Keeney
Notary Public

My Commission Expires:

Oct 9, 2002

STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, CHERYL L. MYERS, a Notary Public in and for the County of Lee and State of North Carolina, do hereby certify that ELAINE F. MARSHALL, Secretary of State of North Carolina, personally came before me this day and acknowledged that she is Secretary of State of North Carolina, and that by authority duly given and as the act of the State, the foregoing instrument was signed in its name by JAMES B. HUNT, JR., Governor of the State of North Carolina, sealed with the Great Seal of the State of North Carolina, and attested by herself as Secretary of State of North Carolina.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal, this the 20th day of December, 1999.

Cheryl L. Myers
Notary Public

My Commission Expires:

5-9-2003

The Healing Center

Beginning at a new iron pipe 30 feet off the center line of Goode Drive, said iron pipe being South $06^{\circ}55'50''$ East 528.94 feet (ground distance) from NCGS survey monument "DIX" having NC grid coordinates (NAD 83) of N=733,898.900, E=2,100,997.763, thence from said beginning point North $62^{\circ}01'49''$ East 420.00 feet to a new iron pipe, thence South $33^{\circ}50'45''$ East 420.00 feet to a new iron pipe, thence South $62^{\circ}01'49''$ West 450.00 feet to a new iron pipe 30 feet off the center line of Goode Drive, thence North $40^{\circ}33'53''$ West 127.49 feet to a new iron pipe, thence along a curve to the right having a radius of 550.00 feet, an arc length of 297.35, and a chord bearing and distance of North $25^{\circ}04'53''$ West 293.74 feet to the point and place of Beginning containing 4.377 acres more or less according to the survey by Kenneth Close, Inc. entitled Boundary Survey for The Healing Center at Dix Campus and dated July 16, 1999.

Exhibit "A"

STATE OF NORTH CAROLINA

AMENDMENT TO LEASE AGREEMENT

COUNTY OF WAKE

THIS AMENDMENT TO LEASE AGREEMENT ("Amendment"), made and entered into as of the last date set forth in the notary acknowledgments below, by and between THE HEALING PLACE OF WAKE COUNTY, a North Carolina non-profit corporation, hereinafter referred to as "Lessor"; and the STATE OF NORTH CAROLINA, a body politic and corporate, hereinafter referred to as "Lessee," with reference to the following Recitals:

RECITALS

- A. Lessor and Lessee are parties to that certain Lease Agreement dated December 20, 1999 (the "Lease"), pursuant to which Lessor leased to Lessee that certain parcel or tract of land located in Raleigh Township, City of Raleigh, Wake County, North Carolina consisting of 4.377 acres, more or less, as said parcel or tract of land is more particularly described in Article I of the Lease (the "Original Premises").
- B. Lessee desires to expand its operations in conformity with the uses permitted to be made of the Facility and Improvements provided in Article III of the Lease.
- C. In furtherance of such expansion, Lessee desires to lease additional land from Lessor situated adjacent to the Original Premises and to extend the term of the Lease.
- D. Subject to the terms and conditions set forth in the Lease and this Amendment, Lessor has consented to the expansion of Lessee's permitted operations, to the lease of additional land described herein as the Expansion Premises and to the extension of the term of the Lease.
- E. The North Carolina Department of Health and Human Services ("DHHS"), the agency of Lessor to which the Premises is allocated, has approved the execution of this Amendment for the purposes set forth herein.
- F. The execution of this Amendment for and on behalf of Lessor has been duly approved by the Governor and Council of State at a meeting held in the City of Raleigh, North Carolina, on the 4th day of December, 2012.
- G. Lessor and Lessee have mutually agreed as herein set forth.

NOW THEREFORE, in consideration of the rental hereinafter agreed to be paid, the Original Premises and the Expansion Premises and the promises and covenants contained in the terms and conditions hereinafter set forth, and other good and valuable consideration, Lessor and Lessee do hereby agree as follows:

1. The foregoing recital of facts is hereby incorporated herein to the same extent as if hereinafter fully set forth.
2. The Lease is incorporated into this Amendment by this reference. All capitalized terms appearing in this Amendment and not otherwise defined herein shall have the meanings ascribed to such terms in the Lease.
3. The terms "lease", "lease agreement", "Ground Lease", "Lease" or any similar variant thereof appearing in the Lease and this Amendment shall be understood to refer to the Lease as amended herein unless the context indicates otherwise.
4. The terms "Premises", "Facility", "Improvements" and "property" appearing in the Lease shall be understood to refer, collectively, to the Original Premises and the Expansion Premises as improved, if applicable, unless the context indicates that such terms are intended to refer only to the Original Premises.
5. The fifth paragraph on the first page of the Lease is hereby deleted in its entirety and replaced with the following:

"NOW, THEREFORE, in consideration of ONE DOLLAR (\$1.00), paid by Lessee to Lessor as rental for the Original Premises and the Expansion Premises, as described herein, and the terms, covenants and conditions set forth herein, Lessor and Lessee agree as follows:"

6. Article I of the Lease is hereby amended to add the following:

~~"Lessor does hereby rent, lease and demise unto Lessee for and during the term and under the terms and conditions hereinafter set forth, that certain parcel or tract of land lying and being in Raleigh Township, City of Raleigh, Wake County, North Carolina, situated adjacent to the Original Premises and consisting of 6.098 acres, more or less, as said parcel or tract of land is more particularly described in Exhibit C and as shown and described on Exhibit D, all as attached hereto and incorporated herein by this reference (the "Expansion Premises")."~~

7. Article II of the Lease is hereby deleted in its entirety and replaced with the following:

II.

TERM

The initial lease term applicable to the Original Premises shall be for twenty-seven (27) years, two hundred sixty-five (265) days commencing on the 20th day of December, 1999 and expiring on the 10th day of September 2027 at 2400 hours. The initial lease term applicable to the Expansion Premises shall be for fourteen (14) years, two hundred fifty-five (255) days commencing on the 30th day of December, 2012 and expiring on the 10th day of September 2027 at 2400 hours. Lessee shall have the option to renew this Lease for two (2) additional ten (10) year periods (each a "Renewal Term"; collectively, the "Renewal Terms") by providing Lessor a minimum of six (6) months notice prior to the expiration of the initial lease term for the Original

Premises and the Expansion Premises and, if applicable, the first Renewal Term. Rent for each Renewal Term shall be ONE DOLLAR (\$1.00). The terms and conditions of this Lease shall remain the same during the Renewal Terms.

(a) Commencement / Completion of the Facility on the Original Premises. The parties hereto acknowledge and agree that the facilities and improvements to be constructed on the Original Premises as contemplated in the Original Lease have been completed.

8. Article III of the Lease is hereby amended to add the following provisions concerning the Expansion Premises and the construction of the Improvements (as defined below) thereon:

"CONDITION OF EXPANSION PREMISES

Lessor agrees to deliver the Expansion Premises to Lessee in its present condition. Except as otherwise expressly provided herein, Lessee acknowledges that the Expansion Premises is being delivered "as is," that Lessee has performed preliminary investigations and reviews and has concluded on its own judgment that the Expansion Premises is suitable for the purposes intended, without any representations or warranties of any kind (including, without limitation, any express or implied warranties of merchantability, fitness or habitability) from Lessor or any agent of Lessor. Lessee's entry into possession shall constitute conclusive evidence that as of the date thereof the Expansion Premises were in good order and satisfactory condition. Lessee further acknowledges that this Lease is subordinate to all existing easements and rights of way encumbering the Expansion Premises, including any easements benefiting adjacent lands owned by Lessor.

USE OF THE EXPANSION PREMISES

Lessee's use of the Expansion Premises and the Improvements located thereon shall be consistent with the use of the Original Premises permitted under the Lease.

CONSTRUCTION OF IMPROVEMENTS ON THE EXPANSION PREMISES AND ORIGINAL PREMISES

(a) Improvements. The "Improvements" shall consist, collectively, of four (4) buildings, appurtenant parking area(s) and all other amenities, improvements and fixtures constructed or installed on the Expansion Premises and Original Premises in accordance with the Final Plans, as said term is defined herein. During the term of this Lease, the Improvements shall remain the property of Lessee and shall not be, become or be deemed by Lessor to be fixtures upon the Expansion Premises or Original Premises.

(b) Conditions Precedent to Construction of Improvements. Before construction of the Improvements is commenced on the Expansion Premises and Original Premises, and before any building materials have been delivered to the Expansion Premises or Original Premises by Lessee or under Lessee's authority, Lessee shall comply with all the following conditions or obtain Lessor's written waiver of any of the following conditions:

(1) Final Plans. Prepare and submit to DHHS and the State Construction

Office ("SCO"), a division of the North Carolina Department of Administration, through DHHS, for review and approval final design plans and specifications for the Improvements (the "Final Plans"). Lessor's approval of the Final Plans shall not be unreasonably withheld or delayed.

(2) Contract. Furnish to Lessor a true copy of Lessee's contract with the general contractor. Such general contractor shall be licensed to do business in the State of North Carolina. Additionally, the construction contract between Lessee and the general contractor shall include language satisfactory to Lessor in its sole discretion, which establishes Lessor as an intended third-party beneficiary to such construction contract, the intent of which shall be to afford Lessor the right to pursue direct claims against such general contractor for any breach of the construction contract. In addition, the insurance requirements applicable to the general contractor under such construction contract (including, without limitation, the kinds of insurance required, applicable coverage limits and the identity of any additional insured's thereunder) shall be subject to the review and approval of Lessor in its sole discretion.

(3) Completion Bond. Lessee shall deliver to Lessor a contractor's completion bond of a surety company licensed to do business in the State of North Carolina, running to Lessor as obligee conditioned on the completion of the Improvements in accordance with the Final Plans and the provisions of this Lease, free and clear of all mechanics' or other liens and free and clear of all financing statements under the Uniform Commercial Code. This bond shall be in an amount and in a form and written by a company as Lessor shall approve which approval Lessor shall not unreasonably withhold.

(4) Payment and Performance Bond. In lieu of a completion bond, Lessee may deliver to Lessor a payment and performance bond of a surety company as described hereinabove, running to Lessor. The payment and performance bond must be in the amount of the entire cost of construction of the Improvements in accordance with the Final Plans as approved by Lessor as such cost of construction is stipulated in the construction contract between Lessee and its general contractor, and must guarantee the full performance of the contract for the construction of the Improvements in accordance with the Final Plans as approved by Lessor.

(5) Insurance. Lessee shall furnish to Lessor the insurance set forth in Article V. of the Lease.

(6) Sediment and Erosion Control Plan. If applicable, Lessee shall have received Sediment and Erosion Control Plan approval for construction of the Improvements from the North Carolina Department of Environmental and Natural Resources, Division of Land Resources – Land Quality Section.

(7) Environmental Assessment. If applicable, DHHS shall have received approval of the Environmental Assessment/Finding of No Significant Impact for the Premises (including stream delineation) through the State Clearinghouse as provided under the North Carolina Environmental Policy Act. The Environmental Assessment shall be prepared by Lessee in accordance with the requirements of DHHS at Lessee's sole cost and expense and submitted by DHHS to the State Clearinghouse for approval as provided in this Article III, Section (b)(7).

(c) Construction. Lessee shall commence construction of the Improvements on the Expansion Premises and Original Premises no later than December 30, 2015 and shall prosecute such construction diligently in accordance with the Final Plans until completed. If Lessee fails to commence construction as provided herein or fails to complete construction within a reasonable period of time after construction is commenced then Lessor may, in its absolute discretion, terminate this Lease after providing Lessee with written notice. The Improvements shall be constructed at Lessee's sole cost and expense in good workmanlike manner and in compliance with all applicable laws and regulations of all relevant governmental bodies and pursuant to the conditions of the governmental approvals. The Improvements shall be constructed within the bounds of the Expansion Premises and Original Premises; provided that required work beyond the Expansion Premises and Original Premises for utilities or access with Lessor's prior written approval shall not be considered a violation of this provision.

(d) Lessor's Right to Inspect. Lessor, through DHHS and SCO, reserves the right to inspect construction of the Improvements while in progress to assure conformity with the Final Plans. Lessor further reserves the right to inspect the Expansion Premises and Original Premises at any time during the term of this Lease for purposes of insuring Lessee's compliance with this Lease and for the additional purpose of fulfilling its obligations.

(e) Liens. Lessee agrees to pay all lawful claims associated with the construction of the Improvements on a timely basis and shall indemnify, defend and hold harmless Lessor for all claims by third parties and contractors arising out of the construction of the Improvements. Lessee shall not encumber the Expansion Premises or Original Premises with any mortgages or permit any mechanic's, materialman's, contractor's, subcontractor's or other similar lien arising from any work of improvement performed by or on behalf of Lessee, however it may arise, to stand against the Expansion Premises or Original Premises. In the event the Expansion Premises or Original Premises are encumbered by any such lien, Lessee may in good faith contest the claim underlying such lien, so long as Lessee immediately bonds or otherwise discharges the lien."

9. Article VII(a) of the Lease is hereby amended to add the following provision:

"6. if Lessee shall allow the Premises or any portion thereof to be used (i) for any unlawful purpose; (ii) for any purpose that promotes acts of moral turpitude; (iii) in any manner that would bring Lessor into disrepute; (iv) in a manner that is in violation of public policy; or (v) in a manner detrimental to the legitimate interests of Lessor."

10. Article X. 4. of the Lease is hereby deleted in its entirety and replaced with the following:

"4. All notices, requests and other communications hereunder shall be deemed to have been fully given, by either party hereto one to the other, when made in writing and either deposited in the United States mail (sent certified, return receipt requested); personally delivered; or transmitted by overnight courier for next business day delivery to the addresses of Lessor and Lessee set forth below, or to such other addresses as the parties may, from time to time, designate by written notice.

If intended for Lessor, addressed to Lessor, at:

North Carolina Department of Health and Human Services
c/o Property Officer
2001 Mail Service Center
Raleigh, North Carolina 27699-2001

w/ copy to: State Property Office
Attn: Manager, Leasing and Space Planning Section
1321 Mail Service Center
Raleigh, North Carolina 27699-1321

If intended for Lessee, addressed to Lessee, at:

The Healing Place of Wake County
1251 Goode Street
Raleigh, North Carolina 27603"

11. Article X of the Lease is hereby further amended to add the following provisions:

"7. Each person executing this Lease on behalf of Lessee does hereby represent and warrant that, if applicable: (a) Lessee is duly organized and in good standing in the State of its organization and, if different, qualified to do business and in good standing in the State of North Carolina, (b) Lessee has full lawful right and authority to enter into this Lease and to perform all of its obligations hereunder, and (c) each person signing this Lease on behalf of Lessee is duly and validly authorized to do so.

8. This Lease shall be governed by, construed under and interpreted and enforced in accordance with the laws of the State of North Carolina, regardless of conflict of law principles.

9. This Lease shall be binding upon and enforceable against, and shall inure to the benefit of, Lessor and Lessee and their respective successors and permitted assigns.

10. Effect of Waiver or Forbearance. No covenant or condition of this Lease can be waived except by written consent of the parties hereto. A waiver of any covenant or condition on one occasion shall not be deemed a waiver of said covenant or condition on any subsequent occasion unless such fact is specifically stated in the waiver. Forbearance or indulgence by Lessor in any regard whatsoever shall not constitute a waiver of any covenant or condition to be performed by Lessee, and until Lessee has completely performed all covenants and conditions of this Lease, Lessor shall be entitled to invoke any remedy available to Lessor under this Lease or any law or equity despite such forbearance or indulgence.

11. Complete Agreement. This Lease contains the entire contract between the Parties regarding the subject matter hereof and each Party acknowledges that neither has made (either directly or through any agent or representative) any representations or agreements in connection with this Lease not specifically set forth herein.

Page 6 of 11

12. Severability. In case any one or more of the provisions contained in this Lease shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof and this Lease shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

13. Survival. All obligations (including monetary obligations as set forth in this Lease) accruing prior to expiration of the lease term shall survive the expiration or other termination of this Lease.

14. North Carolina General Statute §133-32 and Executive Order 24 prohibit the offer to, or acceptance by, any employee of Lessor of any gift from anyone with a contract with Lessor, or from any person seeking to do business with Lessor. By execution of this Lease, Lessee attests, for its entire organization, including its employees or agents, that it is not aware that any such gift has been offered, accepted, or promised by any employees of its organization.

15. The rights and remedies of Lessor specified in this Lease shall be cumulative and in addition to any other rights and/or remedies otherwise available, whether or not specified in this Lease.

16. Nothing in this Lease shall be construed to render the Lessor in any way or for any purpose a partner, joint venturer, or associate in any relationship with Lessee other than that of Lessor and Lessee, nor shall this Lease be construed to authorize either to act as agent for the other.

~~17. This Lease may be executed in two or more counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument."~~

12. To the extent modified herein, and as so modified, the Lease is hereby ratified and confirmed and continues in full force and effect.

13. If there is any conflict between the terms of this Amendment and the Lease, this Amendment shall prevail.

[Signatures on Following Pages]

IN TESTIMONY WHEREOF, this Amendment has been duly executed by the parties hereto, in duplicate originals, as of the last date set forth in the notary acknowledgment below.

LESSEE:

THE HEALING PLACE OF WAKE COUNTY,
a North Carolina non-profit corporation

By: Dennis H. Parnell

Print Name: DENNIS H. PARNELL

Title: PRESIDENT / CEO

STATE OF NORTH CAROLINA

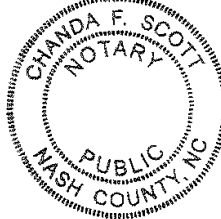
COUNTY OF Wake

I, Chanda F. Scott, a Notary Public in and for the County and State aforesaid do hereby certify that Dennis H. Parnell, President / CEO (title) of ~~THE HEALING PLACE OF WAKE COUNTY~~, a North Carolina non-profit corporation, personally came before me this day and acknowledged the execution of the foregoing instrument on the behalf of the corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal, this the 19 day of December 19, 2012.

My Commission Expires: August 23, 2015

Chanda F. Scott
Notary Public
Print Name: Chanda F. Scott



LESSOR:

STATE OF NORTH CAROLINA

By: Beverly Eaves Perdue
Governor

ATTEST:

Elaine F. Marshall
Secretary of State

APPROVED AS TO FORM:
ROF COOPER, Attorney General

By: [Signature]
Assistant Attorney General

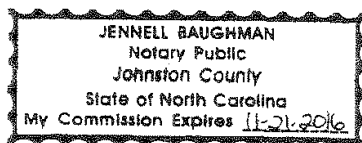
STATE OF NORTH CAROLINA
COUNTY OF WAKE

I, Jennell Baughman, a Notary Public for
Johnston County, North Carolina, do certify that ELAINE F. MARSHALL,
Secretary of State of the State of North Carolina, personally came before me this day and
acknowledged that she is Secretary of State of the State of North Carolina, and that by authority
duly given and as an act of the State, the foregoing instrument was signed in its name by
BEVERLY EAVES PERDUE, Governor of the State of North Carolina, sealed with the Great
Seal of the State of North Carolina, and attested by herself as Secretary of State.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal, this the 27th
day of December, 2012.

My Commission Expires: 11-21-2016

Jennell Baughman
Notary Public
Print Name: Jennell Baughman



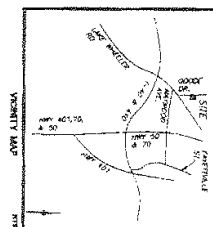
Page 9 of 11

EXHIBIT C

Description of Expansion Premises

EXHIBIT D

Survey of Expansion Premises

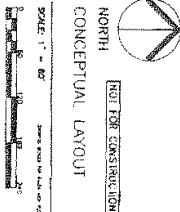


CONCEPT SUMMARY

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GENERAL NOTES

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NOT FOR CONSTRUCTION
CONCEPTUAL LAYOUT

FEASIBILITY SKETCH
THE HEALING PLACE
ORTHOPEDIC CLINIC
1251 GORDON DRIVE
RALEIGH, NORTH CAROLINA

THE SITE GROUP
CIVIL ENGINEERS • LANDSCAPE ARCHITECTS
1111 Chapel Road
Raleigh, NC 27601-1138 USA
PHONE: 919.833.1777
FAX: 919.833.1225
E-Mail: info@the-site.com



Draw No.
SK 10

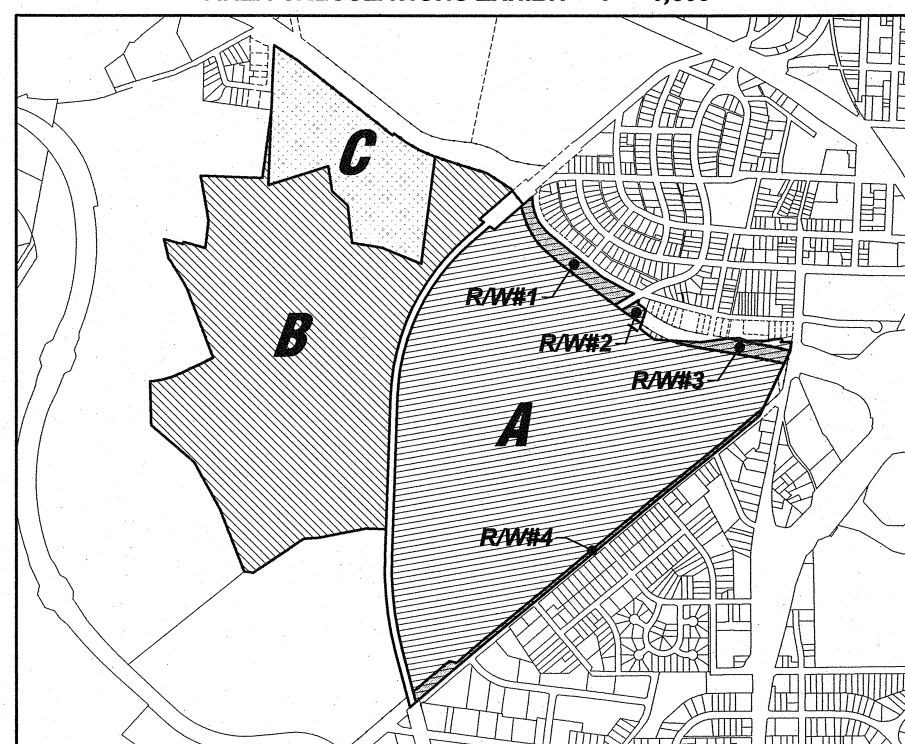
GENERAL NOTES

- 1) THE PURPOSE OF THIS PLAT IS TO DOCUMENT THE BOUNDARY LINES OF THE DOROTHEA DIX HOSPITAL, SO THAT THE CITY OF RALEIGH CAN NEGOTIATE WITH THE STATE OF NORTH CAROLINA USING ACCURATE AREA CALCULATIONS. TAYLOR WISEMAN & TAYLOR (TWT) PERFORMED IN DEPTH TITLE RESEARCH, BY WAY OF THE WAKE COUNTY REGISTER OF DEEDS OFFICE, BUT IT WAS NOT OUR INTENT TO INVESTIGATE ALL OF THE UTILITIES AND EASEMENTS THAT EXIST ON THIS PROPERTY. TWT HAS ATTEMPTED TO SURVEY ALL VISIBLE UTILITY APPURTENANCES THAT CROSS OR RUN WITHIN 5 FEET OF THE PROPERTY LINES REFLECTED ON THIS PLAT, HOWEVER THIS BOUNDARY SURVEY SHOULD NOT BE UTILIZED AS A PLANNING TOOL FOR CONSTRUCTION. THIS SURVEY IS NOT INTENDED TO SHOW ALL PHYSICAL FEATURES THAT EXIST ON THE SITE. THE SURVEY HAS BEEN ENHANCED WITH GIS PLANIMETRICS (BUILDING FOOTPRINTS AND ROADS) TO HELP CLARIFY THE LOCATIONS OF THE PROPERTY LINES. AT THE SPECIFIC REQUEST OF THE CLIENT, TWT IS NOT REPLACING MISSING PROPERTY CORNERS. THE CLIENT DOES NOT OWN THE PROPERTY AND THE STATE HAS NOT AUTHORIZED SUCH ACTIVITY.
- 2) THIS PLAT WAS PREPARED WITHOUT THE BENEFIT OF A TITLE REPORT AND WITH NO COOPERATION FROM THE STATE PROPERTY OFFICE. AS SUCH, THE SURVEYOR WAS ONLY ABLE TO OBTAIN ONE OFFICIAL PROPERTY ALLOCATION DOCUMENT, WHICH HAS BEEN REFERENCED HEREON FOR THE TRANSFER OF THE "SPRING HILL" AREA FROM DOROTHEA DIX TO NORTH CAROLINA STATE UNIVERSITY. THE PROPERTY OF THE STATE SCHOOL FOR THE BLIND AND DEAF THAT LIES SOUTH OF WESTERN BOULEVARD MAY HAVE BEEN OFFICIALLY ALLOCATED TO DOROTHEA DIX, BUT NO DOCUMENT WAS RECOVERED TO SUPPORT THIS ASSUMPTION. IT IS ALSO PROBABLE THAT THE STATE HAS MADE AN OFFICIAL ALLOCATION BETWEEN THE HOSPITAL AND THE STATE FARMERS MARKET, BUT NO DOCUMENT WAS RECOVERED TO SUPPORT THAT ASSUMPTION EITHER.
- 3) NO WETLANDS, BUFFERS OR FLOODPLAIN DESIGNATIONS WERE RESEARCHED BY THE SURVEYOR.
- 4) THE "HISTORIC BOUNDARY LINE" SHOWN HEREON REPRESENTS THE APPROXIMATE LOCATION OF THE PROPERTY LINE BETWEEN THE ORIGINAL STATE INSANE ASYLUM PROPERTY (BM 1885 PG 1) AND THE GRIMES FARM, THAT WAS ACQUIRED BY THE STATE IN 1907 (DB 210 PG 241). IT IS SHOWN HEREON FOR REFERENCE PURPOSES ONLY. SEE SHEET 2 OF THIS PLAT FOR MORE DETAILS.
- 5) CONCRETE MONUMENTS IDENTIFIED AS "NCSU CMP" ARE 8" DIAMETER CONCRETE MONUMENTS WITH BRASS CAPS MARKED "NORTH CAROLINA STATE UNIVERSITY".
- 6) CONCRETE MONUMENTS IDENTIFIED AS "JSL#8" ARE 4"x4" CONCRETE MONUMENTS WITH BRASS CAPS REFERENCED FROM THE SURVEY BY JOHN S. LAWRENCE (REGISTRATION NUMBER L-4220) ENTITLED "PROPERTY OF THE GOVERNOR MOREHEAD SCHOOL", DATED MAY 30, 1968, AS REFERENCED IN BOOK OF MAPS 1968 PAGE 42.
- 7) UNIT OF MEASUREMENT IS U.S. SURVEY FEET (FT). ALL DISTANCES AND COORDINATES SHOWN HEREON ARE LOCALIZED, GROUND INFORMATION, UNLESS SPECIFICALLY NOTED AS "GRID".
- 8) AREAS WERE CALCULATED BY THE COORDINATE METHOD.

REFERENCES:

ABBREVIATIONS - SHEET 8
GRID TIE METADATA - SHEET 2
LINE & SYMBOL LEGENDS - SHEET 10
DOROTHEA DIX PROPERTY REFERENCES - SHEET 10
PROPOSED DOROTHEA DIX PARK BOUNDARY EXHIBIT - SHEET 12

AREA CALCULATIONS EXHIBIT 1" = 1,500'



AREA "A" (DIX HOSPITAL PROPERTY EAST OF RAILROAD)

174.109 ACRES	TOTAL
3.586 ACRES	WITHIN THE R/W OF WESTERN BLVD (R/W #1)
0.472 ACRES	WITHIN THE R/W OF WESTERN BLVD (R/W #2)
2.038 ACRES	WITHIN THE R/W OF WESTERN BLVD (R/W #3)
3.205 ACRES	WITHIN THE R/W OF LAKE WHEELER ROAD (R/W #4)
164.807 ACRES	NET

AREA "B" (DIX HOSPITAL PROPERTY WEST OF RAILROAD) *

131.591 ACRES	TOTAL
7.748 ACRES	FOODRUNNERS AREA (SEE SHEETS 5 & 8)
123.843 ACRES	NET

AREA "C" (GOVERNOR MOREHEAD SCHOOL PROPERTY SOUTH OF WESTERN BOULEVARD) **

30.940 ACRES	TOTAL
--------------	-------

ALL TOGETHER (A+B+C):

336.640 ACRES	COMBINED TOTAL
17.050 ACRES	COMBINED R/W AREAS & FOODRUNNERS
319.590 ACRES	COMBINED NET AREA

* THESE CALCULATIONS ARE BASED UPON AN ASSUMED DIVISION LINE BETWEEN THE HOSPITAL AND THE FARMERS MARKET (SEE SHEET 8 FOR DETAILS)

** SHEETS 3 & 4 PROVIDE MORE DETAIL ABOUT THE AREA CALCULATIONS FOR THIS AREA.

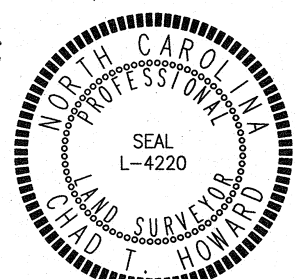
*** SEE SHEET 7 FOR NOTES CONCERNING S. BOYLAN AVENUE.

SURVEYORS CERTIFICATE

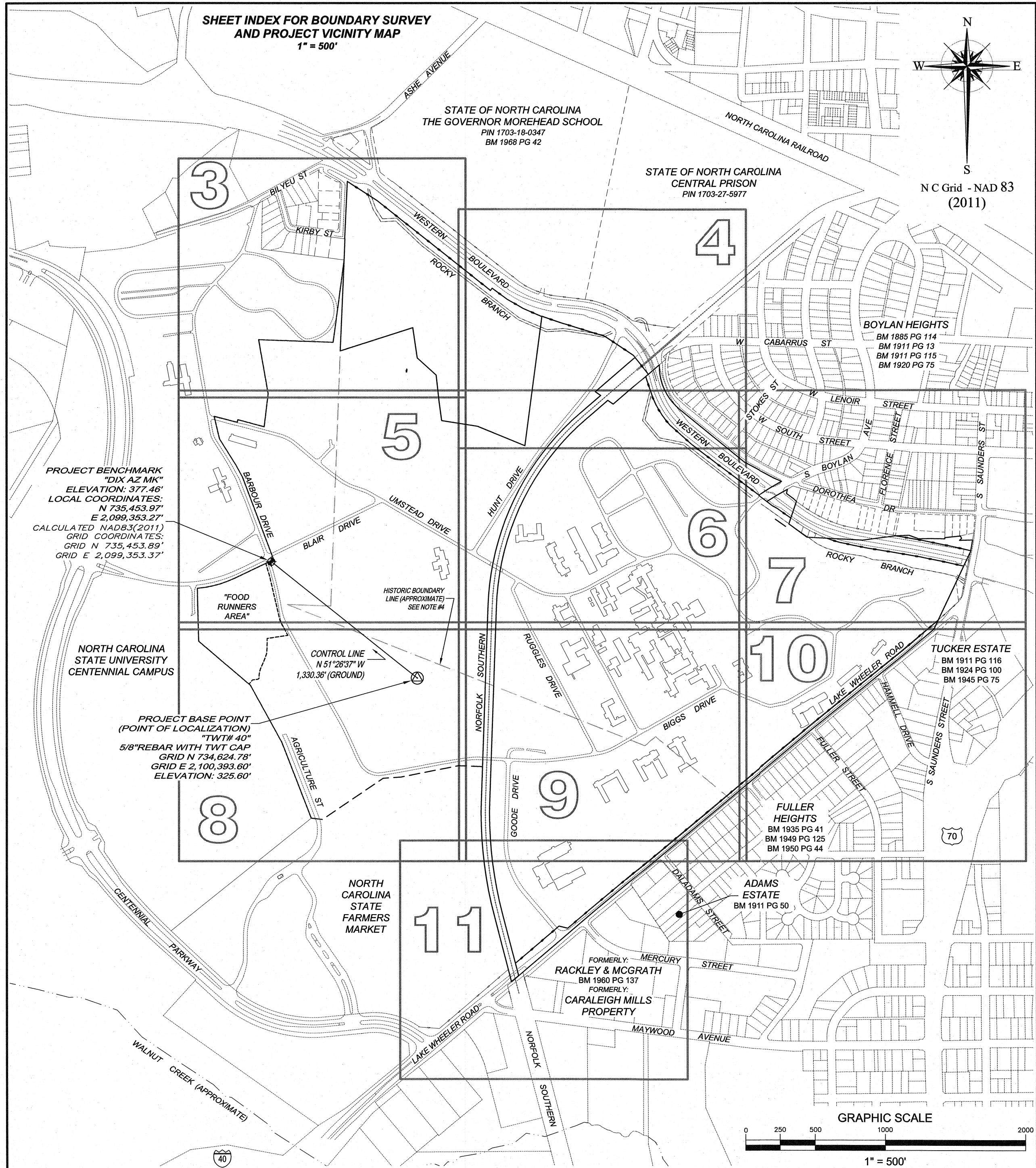
I, CHAD T. HOWARD, CERTIFY THAT THIS PLAT WAS DRAWN UNDER MY SUPERVISION FROM AN ACTUAL SURVEY MADE UNDER MY SUPERVISION; BASED UPON THE NUMEROUS DEEDS AND PLATS REFERENCED HEREON; THAT THE BOUNDARIES NOT SURVEYED ARE CLEARLY IDENTIFIED AS SUCH AND DULY REFERENCED ACCORDING TO THE SOURCE THEREOF; THAT THE POSITIONAL ACCURACY OF THIS SURVEY IS REPORTED ELSEWHERE HEREON; THAT THIS SURVEY IS OF AN EXISTING PARCEL OR PARCELS OF LAND AND DOES NOT CREATE A NEW STREET OR CHANGE AN EXISTING STREET; THAT THIS PLAT WAS PREPARED IN ACCORDANCE WITH G.S. 47-30 AS AMENDED; WITNESS MY ORIGINAL SIGNATURE REGISTRATION NUMBER AND SEAL THIS 11th DAY OF SEPTEMBER, IN THE YEAR OF OUR LORD 2013.

9/11/2013

CHAD T. HOWARD, PLS NC REG # L-4220

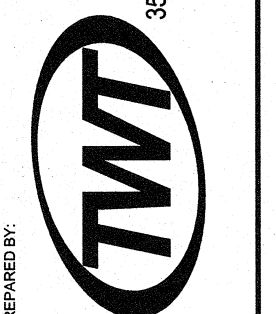


SHEET INDEX FOR BOUNDARY SURVEY AND PROJECT VICINITY MAP 1" = 500'



PREPARED FOR:
CITY OF RALEIGH
PUBLIC WORKS DEPT AND
PARKS & RECREATION DEPT
PO BOX 500 RALEIGH, NC
(919) 996-3030

PREPARED BY:
TAYLOR WISEMAN & TAYLOR
ENGINEERS & SURVEYORS & SCIENTISTS
SUBSURFACE UTILITY ENGINEERS
3500 REGENCY PARKWAY, SUITE 280 CARY, NC 27518
PHONE (919) 237-0085 FAX (919) 237-0090
NORTH CAROLINA LICENSE NUMBER: F-0362



BOUNDARY SURVEY
PROPOSED DOROTHEA DIX PARK
PREPARED FOR THE CITY OF RALEIGH
820 S. BOYLAN AVENUE
WAKE COUNTY, RALEIGH, NORTH CAROLINA

REVISIONS:
9/11/13 - ADDED PROPOSED
PARK BOUNDARY INFORMATION;
ADDED SHEET 12.

DATE OF SURVEY: JUNE 6, 2013
SCALE: 1" = 500'
DRAWN BY: C. HOWARD
CHECKED BY: R. BOHN
PROJECT: 70644.6000.01
SHEET: 1 / 12

SURVEY CONTROL / GRID TIE NOTES

SURVEY CONTROL FOR THIS PROJECT WAS ESTABLISHED BY A COMBINATION OF GPS AND CONVENTIONAL SURVEYING METHODOLOGIES. THERE ARE NUMEROUS GEODETIC CONTROL MONUMENTS ON AND AROUND THE DOROTHEA DIX HOSPITAL PROPERTY, BUT NONE OF THE MONUMENTS SITUATED NEAR THE CENTER OF THE CAMPUS WERE OPTIMAL FOR GPS. AS SUCH, TWT SET A 5/8" REBAR WITH CAP (TWT# 40) IN THE CENTER OF THE CAMPUS AWAY FROM ALL VEGETATION. ON MAY 15 AND 16, 2013, GPS DATA WAS LOGGED AT TWT# 40 WHILE RTK SURVEYING WAS BEING PERFORMED TO SET CONTROL POINT PAIRS AROUND THE CAMPUS. THE BASE DATA GATHERED ON THESE TWO DATES WAS SUBMITTED TO THE NATIONAL GEODETIC SURVEY'S OPUS WEBSITE FOR PROCESSING AND THE RESULTS ARE DOCUMENTED BELOW.

IN ORDER TO REMAIN CONSISTENT WITH PREVIOUS SURVEYS ON THE PROPERTY, A DIGITAL LEVEL RUN WAS PERFORMED FROM "DIX AZ MK" TO TWT# 40, THEREBY MAKING "DIX AZ MK" THE VERTICAL BENCHMARK FOR THIS SURVEY. "DIX AZ MK" IS A CLASS 1, SECOND ORDER VERTICAL BENCHMARK.

TWT PERFORMED A CONVENTIONAL TRAVERSE THROUGH THE GPS POINT PAIRS THAT WERE SET AROUND THE PERIMETER OF THE PROPERTY. CONVENTIONAL TIES WERE MADE TO THE VARIOUS GEODETIC CONTROL MONUMENTS SHOWN HEREON. AN RTK TIE WAS MADE TO NCGS "WHEELER". MONUMENTS "BIGHOUSE", "48JS1" AND "GOVMOR" HAVE EITHER BEEN DESTROYED OR BURIED UNDER WESTERN BOULEVARD.

SURVEY METADATA:

HORIZONTAL DATUM: NAD83 (2011) NC STATE PLANE COORDINATE SYSTEM

EPOCH: 2010.00

VERTICAL DATUM: NAVD83

GEIOD MODEL: GEIOD 2012A

POINT OF LOCALIZATION: TWT CONTROL POINT #40

COMBINED FACTOR: 0.99990267

DATE OF GPS SURVEY: MAY 15 AND 16, 2013

GPS ANTENNA: TRIMBLE R8-3 (SERIAL # 5009418437 AND # 5005414918)

GPS TECHNIQUE: REAL TIME KINEMATIC

FIXED STATION HELD FOR THE RTK SURVEY:

TWT# 40 (REFER TO METADATA BELOW)

GRID N: 734,624.78' ELEVATION: 325.60'

GRID E: 2,100,393.60' "ELEVATION DERIVED FROM "DIX AZ MK"

FIXED STATIONS HELD FOR THE OPUS SOLUTION ARE DOCUMENTED BELOW.

ADJUSTMENT: SURVEY DATA WAS POST PROCESSED WITH TRIMBLE GEOMATICS OFFICE (TGO)

USING A NETWORK LEAST SQUARES ADJUSTMENT AT THE 95% CONFIDENCE LEVEL.

CLASS OF SURVEY: CLASS A

POSITIONAL ACCURACY FOR CONTROL AND BOUNDARY POINTS: 0.05'

ABBREVIATIONS

AMB AMBIGUITIES

BM BOOK OF MAPS

DB DEED BOOK

E EAST

ELLIP ELLIPSOID

HGT HEIGHT

LAT LATITUDE

LON LONGITUDE

N NORTH

NAD NORTH AMERICAN DATUM

OBS OBSERVATIONS

P2P PEAK TO PEAK (RESIDUAL)

PG PAGE

TWT TAYLOR WISEMAN & TAYLOR

W WEST

OPUS METADATA FOR TWT CONTROL POINT #40

REF FRAME: NAD_83(2011)(EPOCH:2010.0000)

HORIZONTAL COORDINATES HELD:

Lat (N): 35 46 4.84868	Grid N: 734624.78'
Lon (W): 78 39 41.67065	Grid E: 2100393.60'
	Ellip Hgt: 217.91'
CF: 0.99990267	Ortho Hgt: 325.67'

Date: May 14, 2013	Ephemeris: ultra-rapid
Start: 14:56	Antenna: Trimble R8-3 (GNSS)
Stop: 19:59:30	P2P (Lat): 0.007'
Obs used: 12063 / 12660 (95%)	P2P (Lon): 0.010'
# Fixed Amb: 71 / 72 (99%)	P2P (Ellip): 0.030'
Overall RMS: 0.05'	P2P (Ortho): 0.072'
	Horizontal network accuracy = .008'
	Vertical network accuracy = .010'

FIXED STATIONS USED:

PID	DESIGNATION	LAT (N)	LON (W)
DG5759	NCLI LILLINGTON 2004	352512.546	784940.339
DG9328	DURH DURHAM COOP	355946.129	785358.036
DL3891	NCJL JORDAN LAKE	354652.496	790203.927

For quality control, the dat file was processed again using the rapid orbit (and the Raleigh DOT CORS in place of the Durham Coop CORS), yielding nearly identical results

Grid N: 734624.78' (0.00')	Ellip Hgt: 217.91'
Grid E: 2100393.59' (0.01')	Ortho Hgt: 325.66'

Date: May 14, 2013	Ephemeris: rapid
Start: 14:56	Antenna: Trimble R8-3 (GNSS)
Stop: 22:35:00	P2P (Lat): 0.007'
Obs used: 19384 / 19970 (97%)	P2P (Lon): 0.013'
# Fixed Amb: 79 / 80 (99%)	P2P (Ellip): 0.010'
Overall RMS: 0.046'	P2P (Ortho): 0.052'
	Horizontal network accuracy = .006'
	Vertical network accuracy = .007'

FIXED STATIONS USED:

PID	DESIGNATION	LAT (N)	LON (W)
DG4687	NCRD RALEIGH DOT	354549.507	783444.394

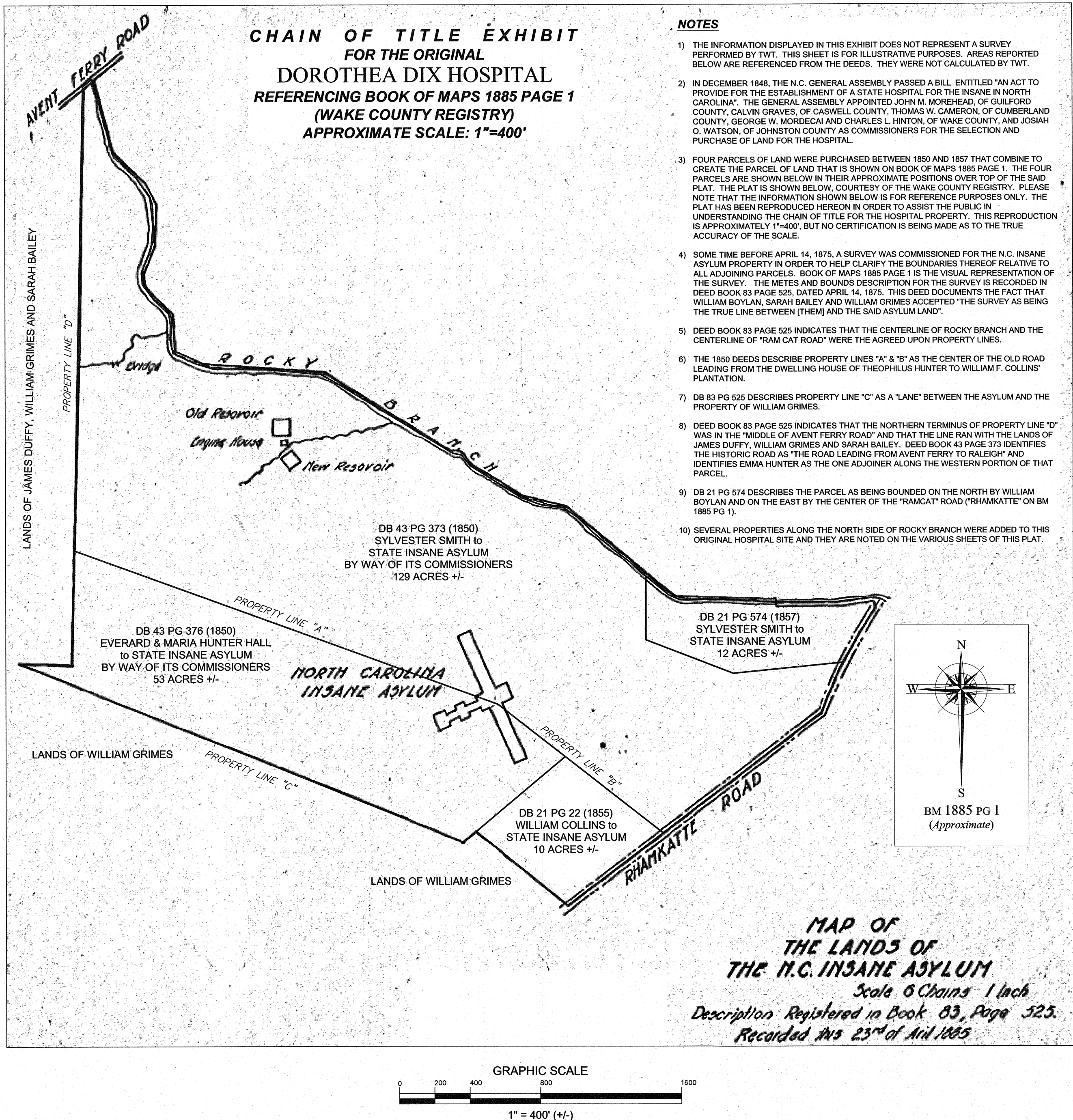
For quality control, data was gathered at point 40 on May 15 and processed with the rapid orbit

Grid N: 734624.797' (0.017')	Ellip Hgt: 217.936'
Grid E: 2100393.614' (0.014')	Ortho Hgt: 325.692'

Date: May 15, 2013	Ephemeris: rapid
Start: 14:56	Antenna: Trimble R8-3 (GNSS)
Stop: 22:35:00	P2P (Lat): 0.013'
Obs used: 19384 / 19970 (97%)	P2P (Lon): 0.020'
# Fixed Amb: 79 / 80 (99%)	P2P (Ellip): 0.007'
Overall RMS: 0.046'	P2P (Ortho): 0.049'
	Horizontal network accuracy = .007'
	Vertical network accuracy = .008'

FIXED STATIONS USED:

NCJL, NCLI & NCRD



PREPARED FOR:
CITY OF RALEIGH
PUBLIC WORKS DEPT AND
PARKS & RECREATION DEPT
PO BOX 590 - RALEIGH, NC
(919) 996-3030

PREPARED BY:
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3500 REGENCY PARKWAY, SUITE 280, CARY, NC 27518
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NORTH CAROLINA LICENSE NUMBER: F-0382



**BOUNDARY SURVEY
PROPOSED DOROTHEA DIX PARK**
PREPARED FOR THE CITY OF RALEIGH
820 S. BOYLAN AVENUE
WAKE COUNTY, RALEIGH, NORTH CAROLINA

REVISIONS:
9/11/13 - ADDED PROPOSED
PARK BOUNDARY INFORMATION;
ADDED SHEET 12.

DATE OF SURVEY: JUNE 6, 2013

SCALE: 1" = 400'

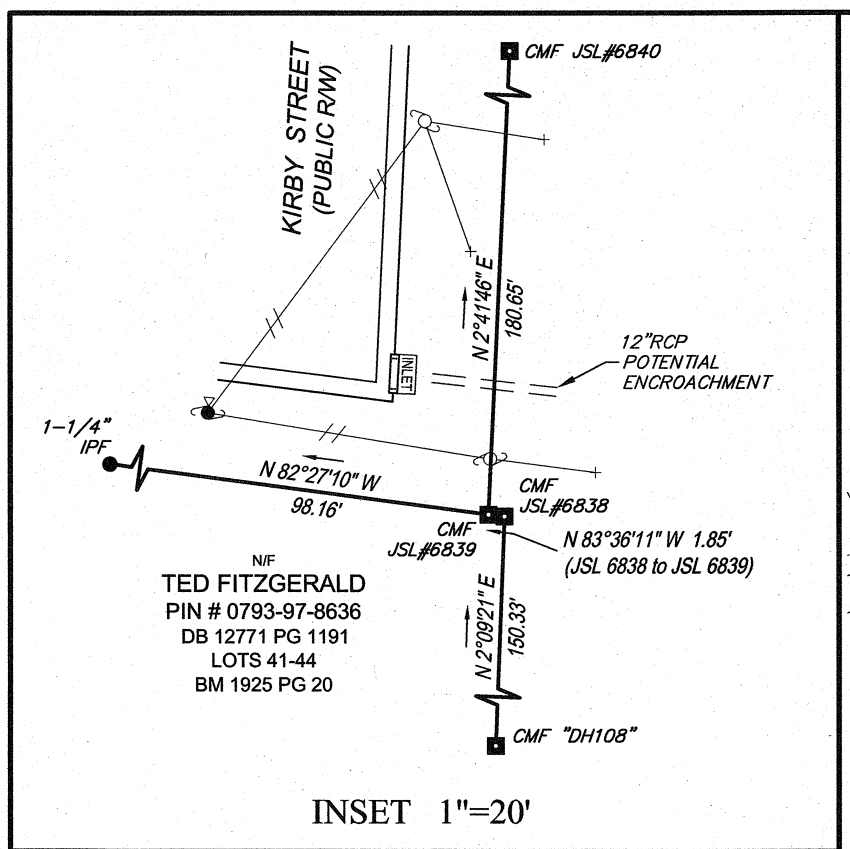
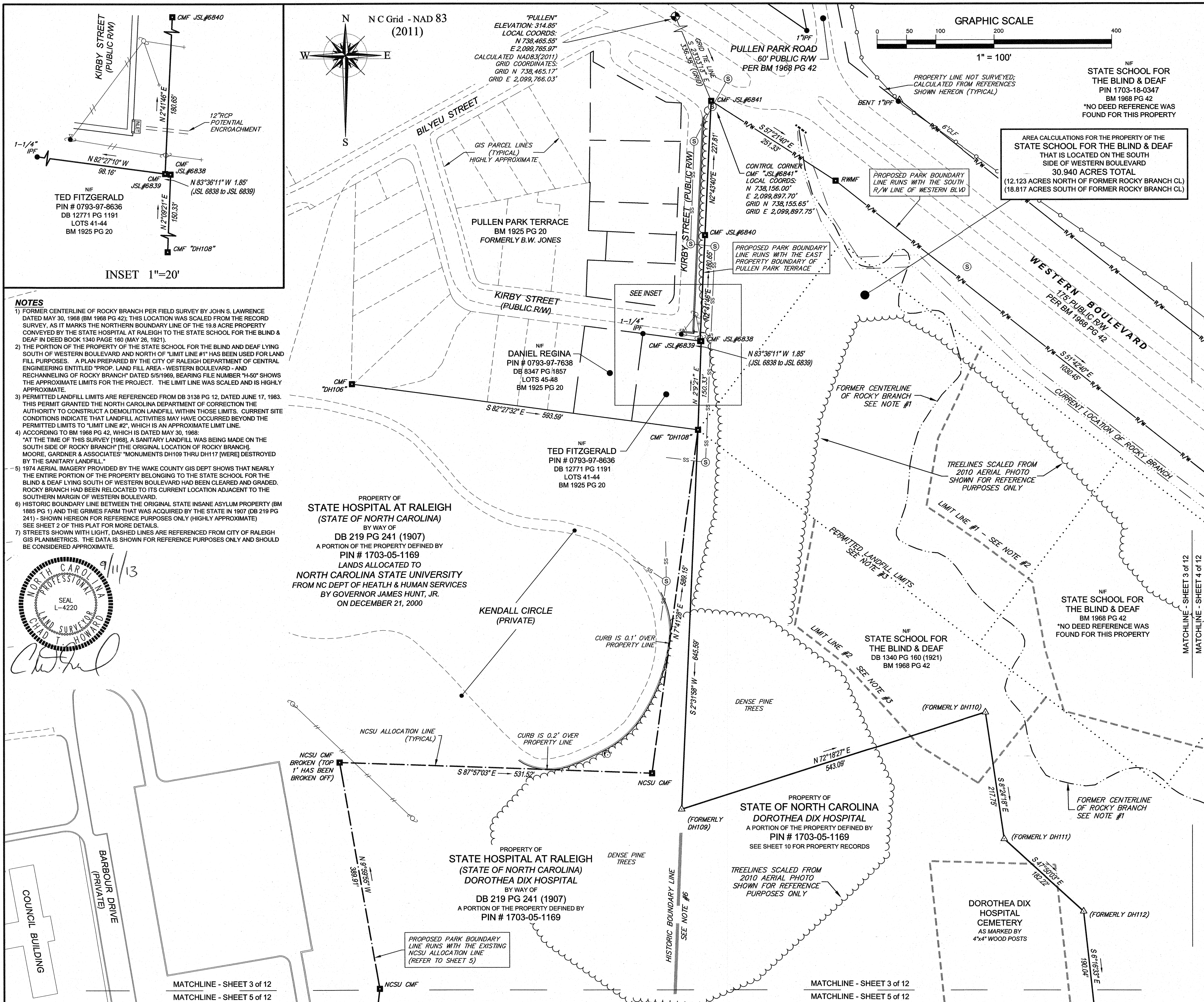
DRAWN BY: C. HOWARD

CHECKED BY: R. BOHN

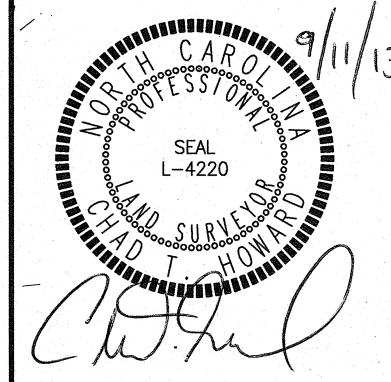
PROJECT: 70644.6000.01

SHEET:

2 / 12



- NOTES**
- 1) FORMER CENTERLINE OF ROCKY BRANCH PER FIELD SURVEY BY JOHN S. LAWRENCE DATED MAY 30, 1968 (BM 1968 PG 42); THIS LOCATION WAS SCALED FROM THE RECORD SURVEY, AS IT MARKS THE NORTHERN BOUNDARY LINE OF THE 19.8 ACRE PROPERTY CONVEYED BY THE STATE HOSPITAL AT RALEIGH TO THE STATE SCHOOL FOR THE BLIND & DEAF IN DEED BOOK 1340 PAGE 160 (MAY 26, 1921).
 - 2) THE PORTION OF THE PROPERTY OF THE STATE SCHOOL FOR THE BLIND AND DEAF LYING SOUTH OF WESTERN BOULEVARD AND NORTH OF "LIMIT LINE #1" HAS BEEN USED FOR LAND FILL PURPOSES. A PLAN PREPARED BY THE CITY OF RALEIGH DEPARTMENT OF CENTRAL ENGINEERING ENTITLED "PROP. LAND FILL AREA - WESTERN BOULEVARD - AND RECHANNELING OF ROCKY BRANCH" DATED 5/5/1969, BEARING FILE NUMBER "H-50" SHOWS THE APPROXIMATE LIMITS FOR THE PROJECT. THE LIMIT LINE WAS SCALED AND IS HIGHLY APPROXIMATE.
 - 3) PERMITTED LANDFILL LIMITS ARE REFERENCED FROM DB 3138 PG 12, DATED JUNE 17, 1983. THIS PERMIT GRANTED THE NORTH CAROLINA DEPARTMENT OF CORRECTION THE AUTHORITY TO CONSTRUCT A DEMOLITION LANDFILL WITHIN THOSE LIMITS. CURRENT SITE CONDITIONS INDICATE THAT LANDFILL ACTIVITIES MAY HAVE OCCURRED BEFORE THE PERMITTED LIMITS TO "LIMIT LINE #2", WHICH IS AN APPROXIMATE LIMIT LINE.
 - 4) ACCORDING TO BM 1968 PG 42, WHICH IS DATED MAY 30, 1968:
"AT THE TIME OF THIS SURVEY (1968), A SANITARY LANDFILL WAS BEING MADE ON THE SOUTH SIDE OF ROCKY BRANCH" [THE ORIGINAL LOCATION OF ROCKY BRANCH].
MOORE, GARDNER & ASSOCIATES "MONUMENTS DH109 THRU DH117 [WERE] DESTROYED BY THE SANITARY LANDFILL."
 - 5) 1974 AERIAL IMAGERY PROVIDED BY THE WAKE COUNTY GIS DEPT SHOWS THAT NEARLY THE ENTIRE PORTION OF THE PROPERTY BELONGING TO THE STATE SCHOOL FOR THE BLIND & DEAF LYING SOUTH OF WESTERN BOULEVARD HAD BEEN CLEARED AND GRADED. ROCKY BRANCH HAD BEEN RELOCATED TO ITS CURRENT LOCATION ADJACENT TO THE SOUTHERN MARGIN OF WESTERN BOULEVARD.
 - 6) HISTORIC BOUNDARY LINE BETWEEN THE ORIGINAL STATE INSANE ASYLUM PROPERTY (BM 1885 PG 1) AND THE GRIMES FARM THAT WAS ACQUIRED BY THE STATE IN 1907 (DB 219 PG 241) - SHOWN HEREON FOR REFERENCE PURPOSES ONLY (HIGHLY APPROXIMATE).
 - 7) STREETS SHOWN WITH LIGHT, DASHED LINES ARE REFERENCED FROM CITY OF RALEIGH GIS PLANIMETRICS. THE DATA IS SHOWN FOR REFERENCE PURPOSES ONLY AND SHOULD BE CONSIDERED APPROXIMATE.



PROPERTY OF
STATE HOSPITAL AT RALEIGH
(STATE OF NORTH CAROLINA)
BY WAY OF
DB 219 PG 241 (1907)
A PORTION OF THE PROPERTY DEFINED BY
PIN # 1703-05-1169
LANDS ALLOCATED TO
NORTH CAROLINA STATE UNIVERSITY
FROM NC DEPT OF HEALTH & HUMAN SERVICES
BY GOVERNOR JAMES HUNT, JR.
ON DECEMBER 21, 2000

PROPERTY OF
STATE HOSPITAL AT RALEIGH
(STATE OF NORTH CAROLINA)
DOROTHEA DIX HOSPITAL
BY WAY OF
DB 219 PG 241 (1907)
A PORTION OF THE PROPERTY DEFINED BY
PIN # 1703-05-1169

PROPERTY OF
STATE OF NORTH CAROLINA
DOROTHEA DIX HOSPITAL
A PORTION OF THE PROPERTY DEFINED BY
PIN # 1703-05-1169
SEE SHEET 10 FOR PROPERTY RECORDS

STATE SCHOOL FOR
THE BLIND & DEAF
BM 1968 PG 42
*NO DEED REFERENCE WAS
FOUND FOR THIS PROPERTY

AREA CALCULATIONS FOR THE PROPERTY OF THE
STATE SCHOOL FOR THE BLIND & DEAF
THAT IS LOCATED ON THE SOUTH
SIDE OF WESTERN BOULEVARD
30.940 ACRES TOTAL
(12.123 ACRES NORTH OF FORMER ROCKY BRANCH CL.)
(18.817 ACRES SOUTH OF FORMER ROCKY BRANCH CL.)

PREPARED FOR:

CITY OF RALEIGH
PUBLIC WORKS DEPT AND
PARKS & RECREATION DEPT
PO BOX 580 - RALEIGH, NC
(919) 966-3030

PREPARED BY:

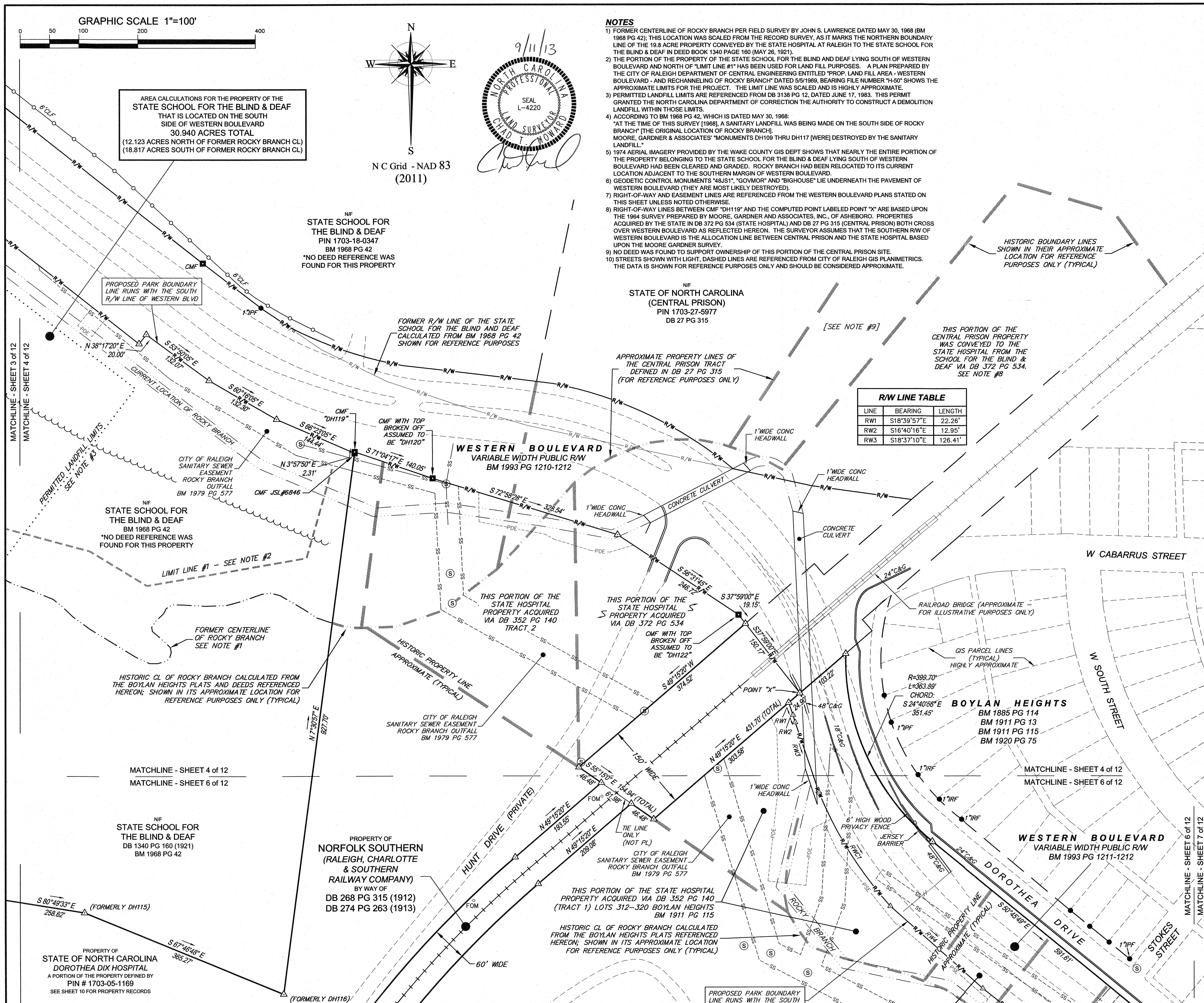
TAYLOR WISEMAN & TAYLOR
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3500 REGENCY PARKWAY, SUITE 260, CARY, NC 27518
PHONE (919) 297-0085 FAX (919) 297-0090
NORTH CAROLINA LICENSE NUMBER: F-0362

BOUNDARY SURVEY
PROPOSED DOROTHEA DIX PARK
PREPARED FOR THE CITY OF RALEIGH
820 S. BOYLAN AVENUE
WAKE COUNTY, RALEIGH, NORTH CAROLINA

REVISIONS:
9/11/13 - ADDED PROPOSED
PARK BOUNDARY INFORMATION;
ADDED SHEET 12.

DATE OF SURVEY:	JUNE 6, 2013
SCALE:	1" = 100'
DRAWN BY:	C. HOWARD
CHECKED BY:	R. BOHN
PROJECT:	70644.6000.01
SHEET:	

3 / 12



- NOTES**
- 1) FORMER CENTERLINE OF ROCKY BRANCH PER FIELD SURVEY BY JOHN S. LAWRENCE DATED MAY 30, 1968 (BM 1968 PG 42). THIS LOCATION WAS SCALED FROM THE RECORD SURVEY, AS IT MARKS THE NORTHERN BOUNDARY LINE OF THE 19.8 ACRE PROPERTY CONVEYED BY THE STATE HOSPITAL AT RALEIGH TO THE STATE SCHOOL FOR THE BLIND & DEAF IN DEED BOOK 1340 PAGE 160 (MAY 26, 1921).
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 - 3) PERMITTED LANDFILL LIMITS ARE REFERENCED FROM DB 3138 PG 12, DATED JUNE 17, 1983. THIS PERMIT GRANTED THE NORTH CAROLINA DEPARTMENT OF CORRECTION THE AUTHORITY TO CONSTRUCT A DEMOLITION LANDFILL WITHIN THOSE LIMITS.
 - 4) ACCORDING TO BM 1968 PG 42, WHICH IS DATED MAY 30, 1968:
"AT THE TIME OF THIS SURVEY (1968), A SANITARY LANDFILL WAS BEING MADE ON THE SOUTH SIDE OF ROCKY BRANCH [THE ORIGINAL LOCATION OF ROCKY BRANCH]. MOORE, GARDNER & ASSOCIATES' MONUMENTS DH109 THRU DH117 [WERE] DESTROYED BY THE SANITARY LANDFILL."
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 - 6) GEODETIC CONTROL MONUMENTS "48J51", "GOVMOR" AND "BIGHOUSE" LIE UNDERNEATH THE PAVEMENT OF WESTERN BOULEVARD (THEY ARE MOST LIKELY DESTROYED).
 - 7) RIGHT-OF-WAY AND EASEMENT LINES ARE REFERENCED FROM THE WESTERN BOULEVARD PLANS STATED ON THIS SHEET UNLESS NOTED OTHERWISE.
 - 8) RIGHT-OF-WAY LINES BETWEEN CMF "DH119" AND THE COMPUTED POINT LABELED POINT "X" ARE BASED UPON THE 1964 SURVEY PREPARED BY MOORE, GARDNER AND ASSOCIATES, INC. OF ASHEBORO. PROPERTIES ACQUIRED BY THE STATE IN DB 372 PG 534 (STATE HOSPITAL) AND DB 27 PG 315 (CENTRAL PRISON) BOTH CROSS OVER WESTERN BOULEVARD AS REFLECTED HEREON. THE SURVEYOR ASSUMES THAT THE SOUTHERN R/W OF WESTERN BOULEVARD IS THE ALLOCATION LINE BETWEEN CENTRAL PRISON AND THE STATE HOSPITAL BASED UPON THE MOORE GARDNER SURVEY.
 - 9) NO DEED WAS FOUND TO SUPPORT OWNERSHIP OF THIS PORTION OF THE CENTRAL PRISON SITE.
 - 10) STREETS SHOWN WITH LIGHT, DASHED LINES ARE REFERENCED FROM CITY OF RALEIGH GIS PLANIMETRICS. THE DATA IS SHOWN FOR REFERENCE PURPOSES ONLY AND SHOULD BE CONSIDERED APPROXIMATE.

R/W LINE TABLE		
LINE	BEARING	LENGTH
RW1	S18°39'57"E	22.26'
RW2	S16°40'16"E	12.95'
RW3	S18°37'10"E	126.41'

PREPARED FOR:

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PUBLIC WORKS DEPT AND
PARKS & RECREATION DEPT
PO BOX 590 - RALEIGH, NC
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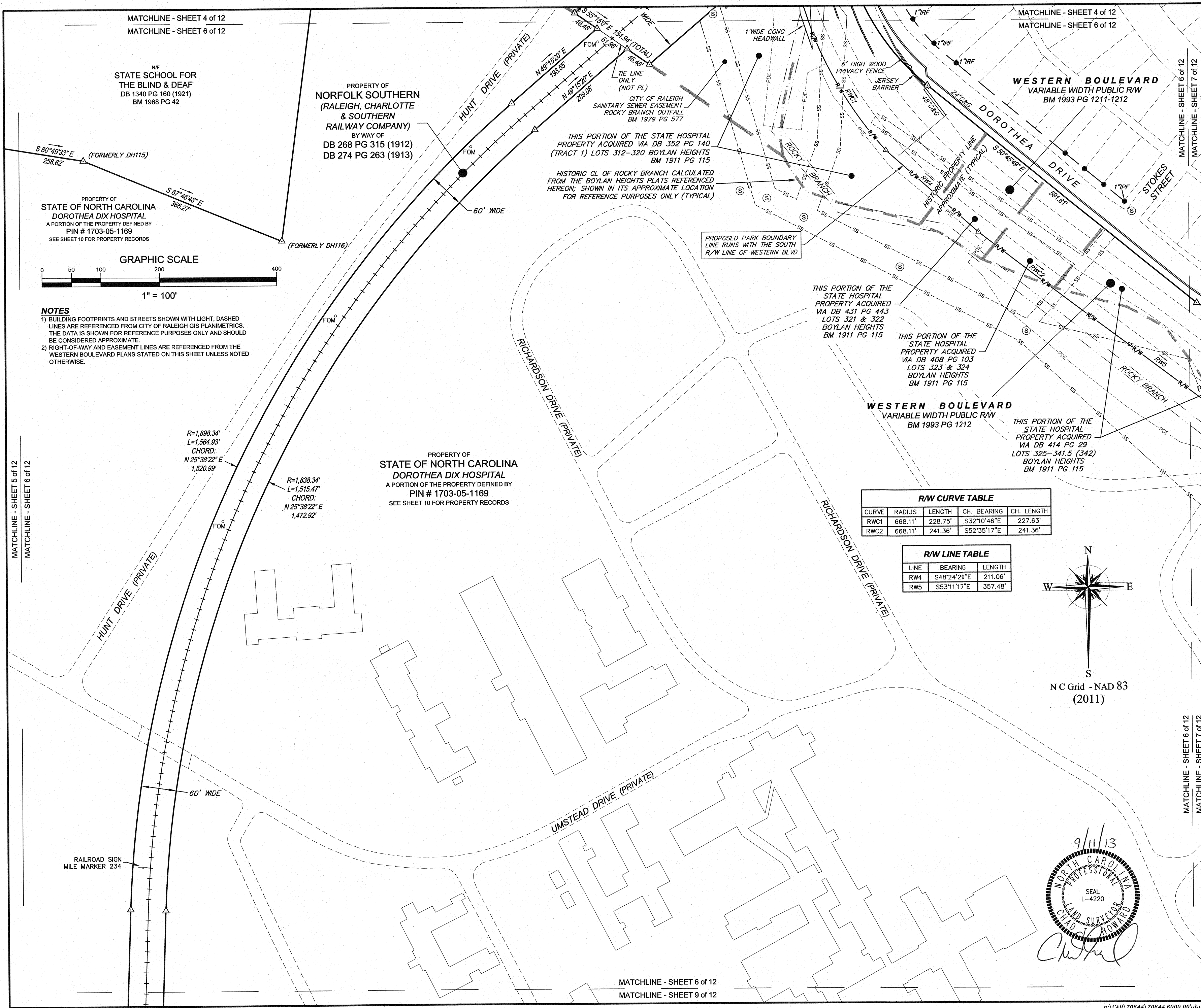
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BOUNDARY SURVEY
PROPOSED DOROTHEA DIX PARK
PREPARED FOR THE CITY OF RALEIGH
820 S. BOYLAN AVENUE
WAKE COUNTY, RALEIGH, NORTH CAROLINA

REVISIONS:
9/11/13 - ADDED PROPOSED
PARK BOUNDARY INFORMATION;
ADDED SHEET 12.

DATE OF SURVEY:	JUNE 6, 2013
SCALE:	1" = 100'
DRAWN BY:	C. HOWARD
CHECKED BY:	R. BOHN
PROJECT:	70644.6000.01
SHEET:	4 / 12



STATE SCHOOL FOR THE BLIND & DEAF
DB 1340 PG 160 (1921)
BM 1968 PG 42

PROPERTY OF NORFOLK SOUTHERN (RALEIGH, CHARLOTTE & SOUTHERN RAILWAY COMPANY)
BY WAY OF DB 268 PG 315 (1912)
DB 274 PG 263 (1913)

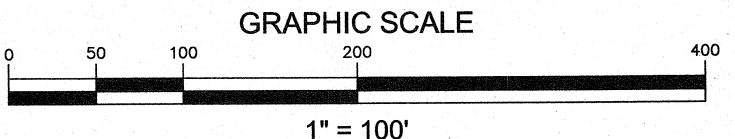
THIS PORTION OF THE STATE HOSPITAL PROPERTY ACQUIRED VIA DB 352 PG 140 (TRACT 1) LOTS 312-320 BOYLAN HEIGHTS BM 1911 PG 115
HISTORIC CL OF ROCKY BRANCH CALCULATED FROM THE BOYLAN HEIGHTS PLATS REFERENCED HEREON; SHOWN IN ITS APPROXIMATE LOCATION FOR REFERENCE PURPOSES ONLY (TYPICAL)

THIS PORTION OF THE STATE HOSPITAL PROPERTY ACQUIRED VIA DB 431 PG 443 LOTS 321 & 322 BOYLAN HEIGHTS BM 1911 PG 115

THIS PORTION OF THE STATE HOSPITAL PROPERTY ACQUIRED VIA DB 408 PG 103 LOTS 323 & 324 BOYLAN HEIGHTS BM 1911 PG 115

THIS PORTION OF THE STATE HOSPITAL PROPERTY ACQUIRED VIA DB 414 PG 29 LOTS 325-341.5 (342) BOYLAN HEIGHTS BM 1911 PG 115

PROPERTY OF STATE OF NORTH CAROLINA DOROTHEA DIX HOSPITAL
A PORTION OF THE PROPERTY DEFINED BY PIN # 1703-05-1169
SEE SHEET 10 FOR PROPERTY RECORDS

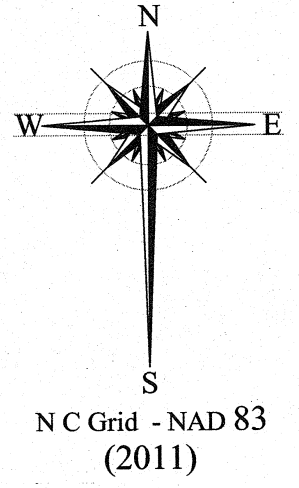


- NOTES**
- 1) BUILDING FOOTPRINTS AND STREETS SHOWN WITH LIGHT, DASHED LINES ARE REFERENCED FROM CITY OF RALEIGH GIS PLANIMETRICS. THE DATA IS SHOWN FOR REFERENCE PURPOSES ONLY AND SHOULD BE CONSIDERED APPROXIMATE.
 - 2) RIGHT-OF-WAY AND EASEMENT LINES ARE REFERENCED FROM THE WESTERN BOULEVARD PLANS STATED ON THIS SHEET UNLESS NOTED OTHERWISE.

PROPERTY OF STATE OF NORTH CAROLINA DOROTHEA DIX HOSPITAL
A PORTION OF THE PROPERTY DEFINED BY PIN # 1703-05-1169
SEE SHEET 10 FOR PROPERTY RECORDS

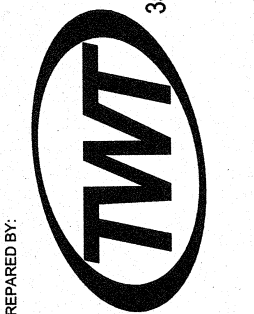
R/W CURVE TABLE				
CURVE	RADIUS	LENGTH	CH. BEARING	CH. LENGTH
RWC1	668.11'	228.75'	S32°10'46"E	227.63'
RWC2	668.11'	241.36'	S52°35'17"E	241.36'

R/W LINE TABLE		
LINE	BEARING	LENGTH
RW4	S48°24'29"E	211.06'
RW5	S53°11'17"E	357.48'



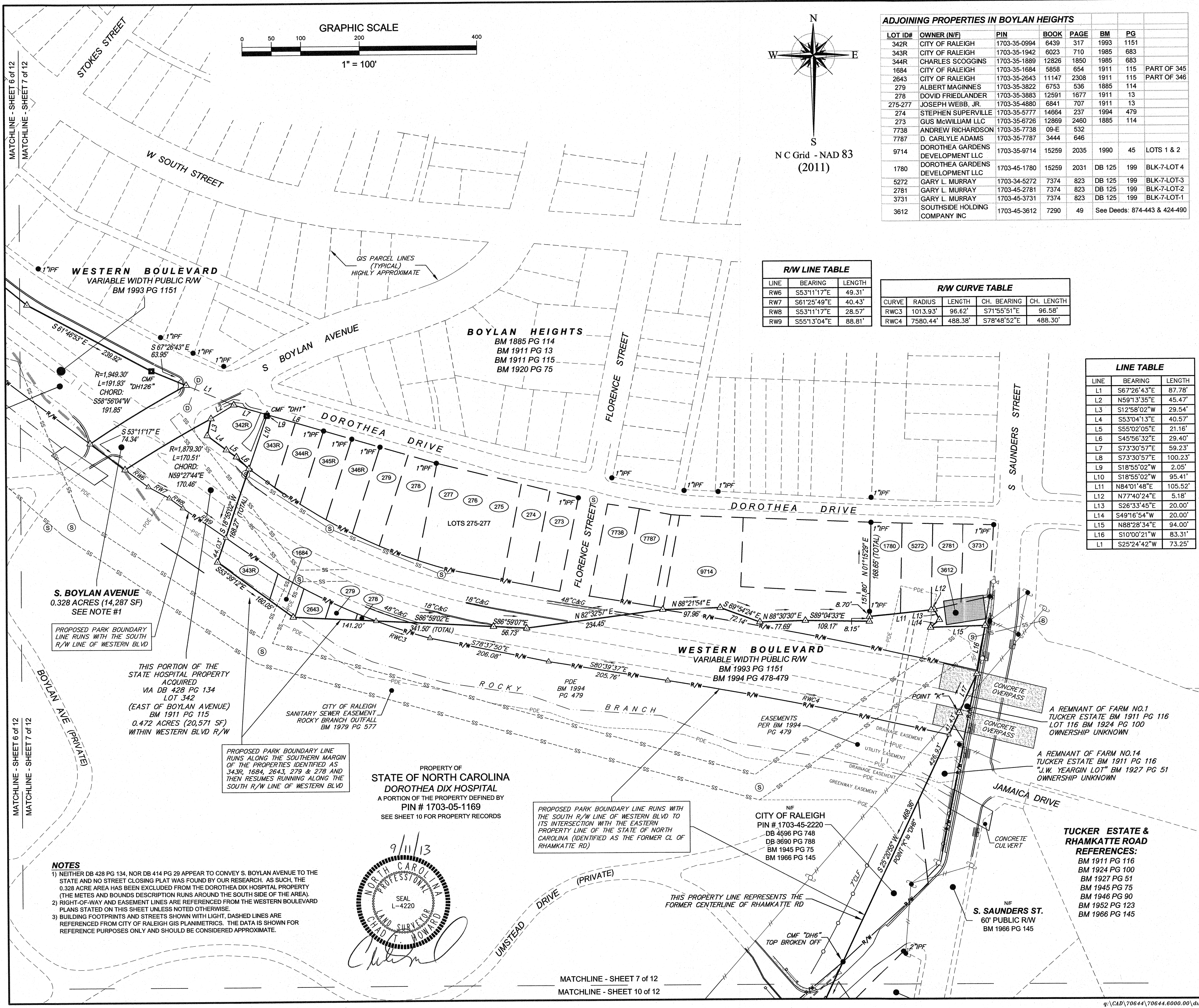
CITY OF RALEIGH
PUBLIC WORKS DEPT AND
PARKS & RECREATION DEPT
PO BOX 590 - RALEIGH, NC
(919) 998-3030

TAYLOR WISEMAN & TAYLOR
ENGINEERS & SURVEYORS & SCIENTISTS
SUBSURFACE UTILITY ENGINEERS
3500 REGENCY PARKWAY, SUITE 280 CARY, NC 27518
PHONE (919) 297-0085 FAX (919) 297-0090
NORTH CAROLINA LICENSE NUMBER: F-4362



BOUNDARY SURVEY
PROPOSED DOROTHEA DIX PARK
PREPARED FOR THE CITY OF RALEIGH
820 S. BOYLAN AVENUE
WAKE COUNTY, RALEIGH, NORTH CAROLINA

REVISIONS: 9/11/13 - ADDED PROPOSED PARK BOUNDARY INFORMATION; ADDED SHEET 12.	
DATE OF SURVEY:	JUNE 6, 2013
SCALE:	1" = 100'
DRAWN BY:	C. HOWARD
CHECKED BY:	R. BOHN
PROJECT:	70644.8000.01
SHEET:	6 / 12



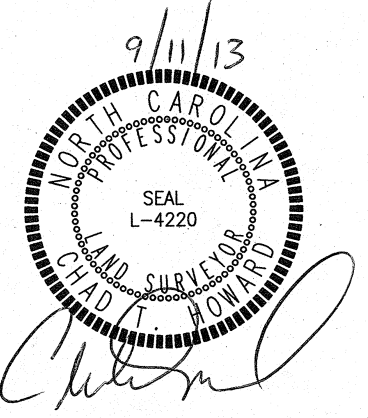
ADJOINING PROPERTIES IN BOYLAN HEIGHTS						
LOT ID#	OWNER (N/F)	PIN	BOOK	PAGE	BM	PG
342R	CITY OF RALEIGH	1703-35-0994	6439	317	1993	1151
343R	CITY OF RALEIGH	1703-35-1942	6023	710	1985	683
344R	CHARLES SCOGGINS	1703-35-1889	12826	1850	1985	683
1684	CITY OF RALEIGH	1703-35-1684	5858	654	1911	115
2643	CITY OF RALEIGH	1703-35-2643	11147	2308	1911	115
279	ALBERT MACINNES	1703-35-3822	6753	536	1885	114
278	DOVID FRIEDLANDER	1703-35-3883	12591	1677	1911	13
275-277	JOSEPH WEBB, JR.	1703-35-4880	6841	707	1911	13
274	STEPHEN SUPERVILLE	1703-35-5777	14664	237	1994	479
273	GUS McWILLIAM LLC	1703-35-6726	12869	2460	1885	114
7738	ANDREW RICHARDSON	1703-35-7738	09-E	532		
7787	D. CARLYLE ADAMS	1703-35-7787	3444	646		
9714	DOROTHEA GARDENS DEVELOPMENT LLC	1703-35-9714	15259	2035	1990	45
1780	DOROTHEA GARDENS DEVELOPMENT LLC	1703-45-1780	15259	2031	DB 125	199
5272	GARY L. MURRAY	1703-34-5272	7374	823	DB 125	199
2781	GARY L. MURRAY	1703-45-2781	7374	823	DB 125	199
3731	GARY L. MURRAY	1703-45-3731	7374	823	DB 125	199
3612	SOUTHSIDE HOLDING COMPANY INC	1703-45-3612	7290	49	See Deeds: 874-443 & 424-490	

R/W LINE TABLE		
LINE	BEARING	LENGTH
RW6	S53°11'17"E	49.31'
RW7	S61°25'49"E	40.43'
RW8	S53°11'17"E	28.57'
RW9	S55°13'04"E	88.81'

R/W CURVE TABLE				
CURVE	RADIUS	LENGTH	CH. BEARING	CH. LENGTH
RWC3	1013.93'	96.62'	S71°55'51"E	96.58'
RWC4	7580.44'	488.38'	S78°48'52"E	488.30'

LINE TABLE		
LINE	BEARING	LENGTH
L1	S67°26'43"E	87.78'
L2	N59°13'35"E	45.47'
L3	S12°58'02"W	29.54'
L4	S53°04'13"E	40.57'
L5	S55°02'05"E	21.16'
L6	S45°56'32"E	29.40'
L7	S73°30'57"E	59.23'
L8	S73°30'57"E	100.23'
L9	S18°55'02"W	2.05'
L10	S18°55'02"W	95.41'
L11	N84°01'48"E	105.52'
L12	N77°40'24"E	5.18'
L13	S26°33'45"E	20.00'
L14	S49°16'54"W	20.00'
L15	N88°28'34"E	94.00'
L16	S10°00'21"W	83.31'
L1	S25°24'42"W	73.25'

- NOTES**
- NEITHER DB 428 PG 134, NOR DB 414 PG 29 APPEAR TO CONVEY S. BOYLAN AVENUE TO THE STATE AND NO STREET CLOSING PLAT WAS FOUND BY OUR RESEARCH. AS SUCH, THE 0.328 ACRE AREA HAS BEEN EXCLUDED FROM THE DOROTHEA DIX HOSPITAL PROPERTY (THE METES AND BOUNDS DESCRIPTION RUNS AROUND THE SOUTH SIDE OF THE AREA).
 - RIGHT-OF-WAY AND EASEMENT LINES ARE REFERENCED FROM THE WESTERN BOULEVARD PLANS STATED ON THIS SHEET UNLESS NOTED OTHERWISE.
 - BUILDING FOOTPRINTS AND STREETS SHOWN WITH LIGHT, DASHED LINES ARE REFERENCED FROM CITY OF RALEIGH GIS PLANNING. THE DATA IS SHOWN FOR REFERENCE PURPOSES ONLY AND SHOULD BE CONSIDERED APPROXIMATE.



PREPARED FOR:

CITY OF RALEIGH
PUBLIC WORKS DEPT AND
PARKS & RECREATION DEPT
PO BOX 980 - RALEIGH, NC
(919) 996-3030

PREPARED BY:

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PHONE (919) 297-0085 FAX (919) 297-0090
NORTH CAROLINA LICENSE NUMBER: F-0362

BOUNDARY SURVEY

PROPOSED DOROTHEA DIX PARK

PREPARED FOR THE CITY OF RALEIGH
820 S. BOYLAN AVENUE
WAKE COUNTY, RALEIGH, NORTH CAROLINA

REVISIONS:

9/11/13 - ADDED PROPOSED PARK BOUNDARY INFORMATION; ADDED SHEET 12.

DATE OF SURVEY: JUNE 6, 2013

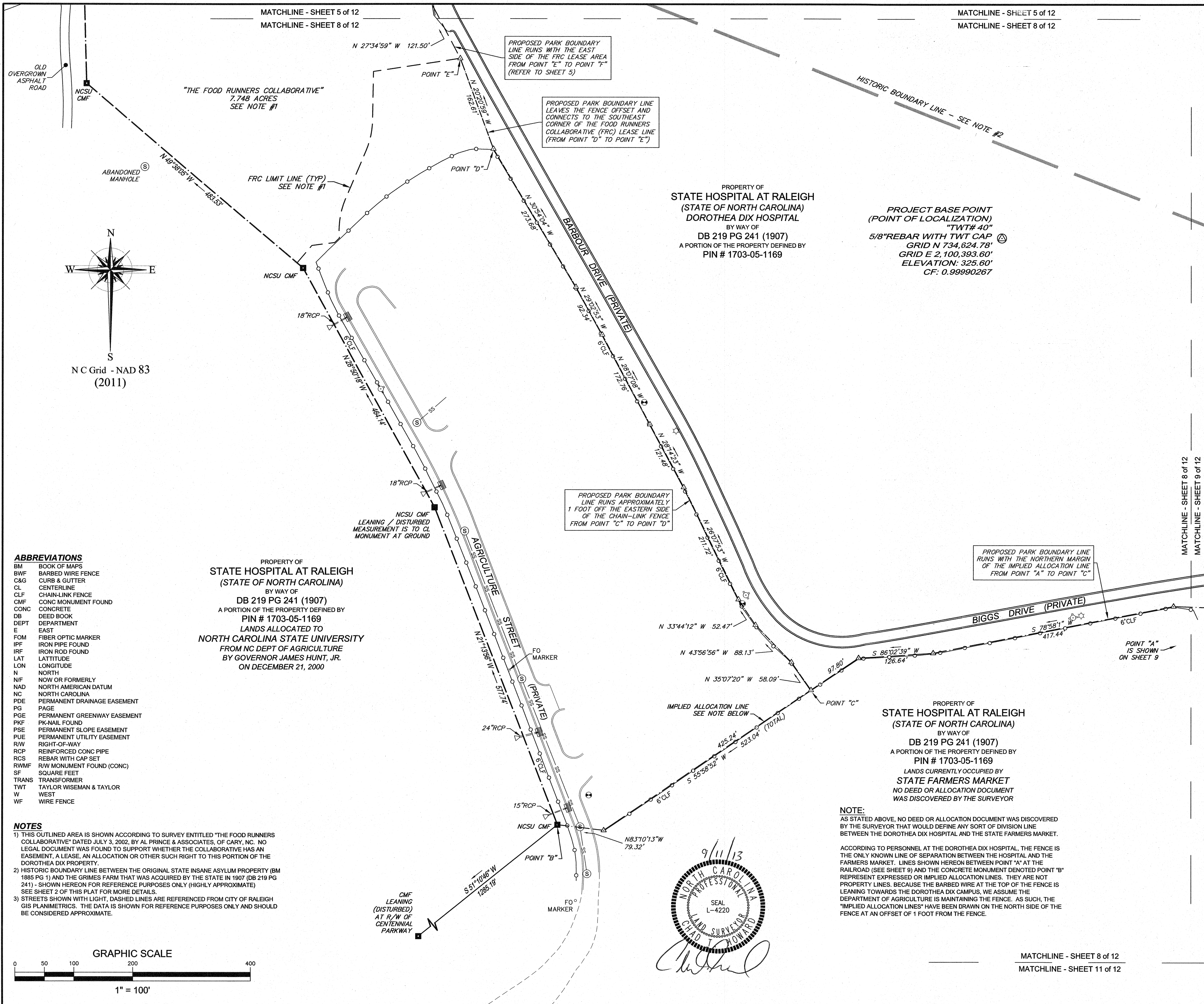
SCALE: 1" = 100'

DRAWN BY: C. HOWARD

CHECKED BY: R. BOHN

PROJECT: 70644.6000.01

SHEET: 7 / 12

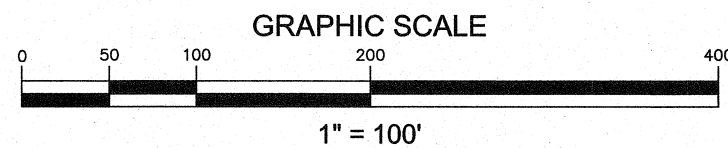


ABBREVIATIONS

BM	BOOK OF MAPS
BWF	BARBED WIRE FENCE
C&G	CURB & GUTTER
CL	CENTERLINE
CLF	CHAIN-LINK FENCE
CMF	CONC MONUMENT FOUND
CONC	CONCRETE
DB	DEED BOOK
DEPT	DEPARTMENT
E	EAST
FOM	FIBER OPTIC MARKER
IPF	IRON PIPE FOUND
IRF	IRON ROD FOUND
LAT	LATITUDE
LON	LONGITUDE
N	NORTH
N/F	NOW OR FORMERLY
NAD	NORTH AMERICAN DATUM
NC	NORTH CAROLINA
PDE	PERMANENT DRAINAGE EASEMENT
PG	PAGE
PGE	PERMANENT GREENWAY EASEMENT
PKF	PK-NAIL FOUND
PSE	PERMANENT SLOPE EASEMENT
PUE	PERMANENT UTILITY EASEMENT
R/W	RIGHT-OF-WAY
RCP	REINFORCED CONC PIPE
RCS	REBAR WITH CAP SET
RWMF	R/W MONUMENT FOUND (CONC)
SF	SQUARE FEET
TRANS	TRANSFORMER
TWT	TAYLOR WISEMAN & TAYLOR
W	WEST
WF	WIRE FENCE

NOTES

- THIS OUTLINED AREA IS SHOWN ACCORDING TO SURVEY ENTITLED "THE FOOD RUNNERS COLLABORATIVE" DATED JULY 3, 2002, BY AL PRINCE & ASSOCIATES, OF CARY, NC. NO LEGAL DOCUMENT WAS FOUND TO SUPPORT WHETHER THE COLLABORATIVE HAS AN EASEMENT, A LEASE, AN ALLOCATION OR OTHER SUCH RIGHT TO THIS PORTION OF THE DOROTHEA DIX PROPERTY.
- HISTORIC BOUNDARY LINE BETWEEN THE ORIGINAL STATE INSANE ASYLUM PROPERTY (BM 1885 PG 1) AND THE GRIMES FARM THAT WAS ACQUIRED BY THE STATE IN 1907 (DB 219 PG 241). SHOWN HEREON FOR REFERENCE PURPOSES ONLY (HIGHLY APPROXIMATE) SEE SHEET 2 OF THIS PLAT FOR MORE DETAILS.
- STREETS SHOWN WITH LIGHT, DASHED LINES ARE REFERENCED FROM CITY OF RALEIGH GIS PLANIMETRICS. THE DATA IS SHOWN FOR REFERENCE PURPOSES ONLY AND SHOULD BE CONSIDERED APPROXIMATE.

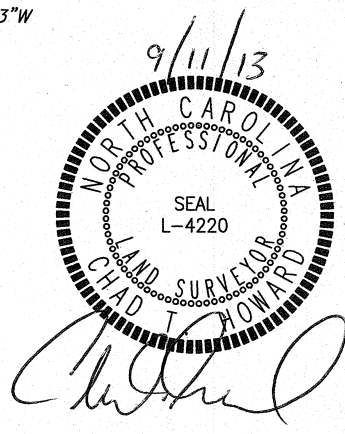


PROPERTY OF
STATE HOSPITAL AT RALEIGH
(STATE OF NORTH CAROLINA)
BY WAY OF
DB 219 PG 241 (1907)
A PORTION OF THE PROPERTY DEFINED BY
PIN # 1703-05-1169
LANDS ALLOCATED TO
NORTH CAROLINA STATE UNIVERSITY
FROM NC DEPT OF AGRICULTURE
BY GOVERNOR JAMES HUNT, JR.
ON DECEMBER 21, 2000

PROPERTY OF
STATE HOSPITAL AT RALEIGH
(STATE OF NORTH CAROLINA)
BY WAY OF
DB 219 PG 241 (1907)
A PORTION OF THE PROPERTY DEFINED BY
PIN # 1703-05-1169
LANDS CURRENTLY OCCUPIED BY
STATE FARMERS MARKET
NO DEED OR ALLOCATION DOCUMENT
WAS DISCOVERED BY THE SURVEYOR

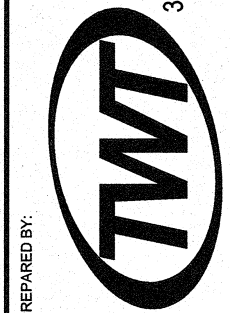
NOTE:
AS STATED ABOVE, NO DEED OR ALLOCATION DOCUMENT WAS DISCOVERED BY THE SURVEYOR THAT WOULD DEFINE ANY SORT OF DIVISION LINE BETWEEN THE DOROTHEA DIX HOSPITAL AND THE STATE FARMERS MARKET.

ACCORDING TO PERSONNEL AT THE DOROTHEA DIX HOSPITAL, THE FENCE IS THE ONLY KNOWN LINE OF SEPARATION BETWEEN THE HOSPITAL AND THE FARMERS MARKET. LINES SHOWN HEREON BETWEEN POINT "A" AT THE RAILROAD (SEE SHEET 9) AND THE CONCRETE MONUMENT DENOTED POINT "B" REPRESENT EXPRESSED OR IMPLIED ALLOCATION LINES. THEY ARE NOT PROPERTY LINES. BECAUSE THE BARBED WIRE AT THE TOP OF THE FENCE IS LEANING TOWARDS THE DOROTHEA DIX CAMPUS, WE ASSUME THE DEPARTMENT OF AGRICULTURE IS MAINTAINING THE FENCE. AS SUCH, THE "IMPLIED ALLOCATION LINES" HAVE BEEN DRAWN ON THE NORTH SIDE OF THE FENCE AT AN OFFSET OF 1 FOOT FROM THE FENCE.



PREPARED FOR:
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PUBLIC WORKS DEPT AND
PARKS & RECREATION DEPT
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PREPARED BY:
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NORTH CAROLINA LICENSE NUMBER: F-0362

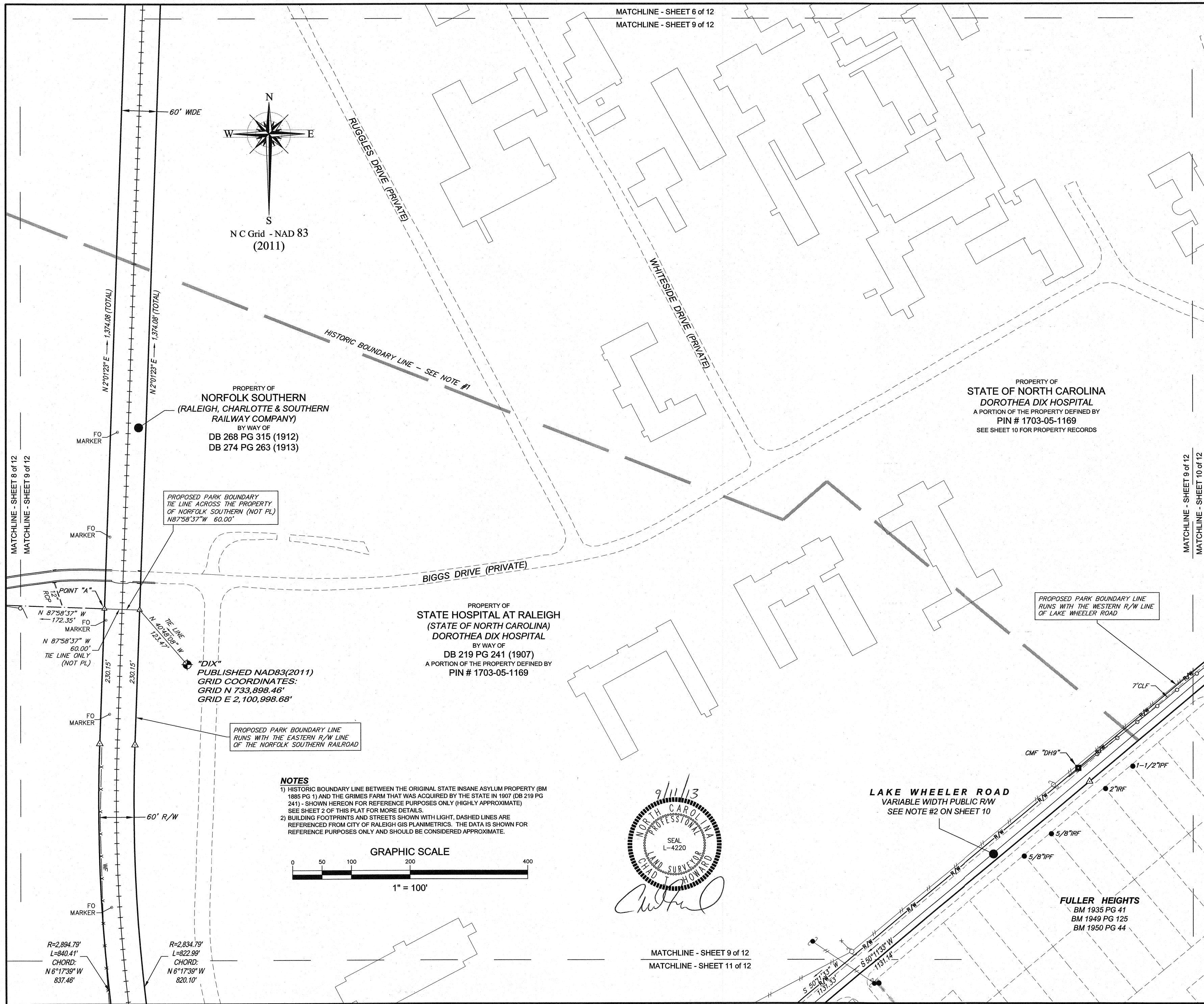


BOUNDARY SURVEY
PROPOSED DOROTHEA DIX PARK
PREPARED FOR THE CITY OF RALEIGH
820 S. BOYLAN AVENUE
WAKE COUNTY, RALEIGH, NORTH CAROLINA

REVISIONS:
9/11/13 - ADDED PROPOSED
PARK BOUNDARY INFORMATION;
ADDED SHEET 12.

DATE OF SURVEY: JUNE 6, 2013
SCALE: 1" = 100'
DRAWN BY: C. HOWARD
CHECKED BY: R. BOHN
PROJECT: 70644.6000.01
SHEET:

8 / 12



PREPARED FOR:

CITY OF RALEIGH
PUBLIC WORKS DEPT AND
PARKS & RECREATION DEPT
PO BOX 580 - RALEIGH, NC
(919) 996-3030

PREPARED BY:

TAYLOR WISEMAN & TAYLOR
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PHONE (919) 297-0085 FAX (919) 297-0090
NORTH CAROLINA LICENSE NUMBER: F-0362

BOUNDARY SURVEY

PROPOSED DOROTHEA DIX PARK

PREPARED FOR THE CITY OF RALEIGH
820 S. BOYLAN AVENUE
WAKE COUNTY, RALEIGH, NORTH CAROLINA

REVISIONS:

8/11/13 - ADDED PROPOSED PARK BOUNDARY INFORMATION; ADDED SHEET 12.

DATE OF SURVEY: JUNE 8, 2013

SCALE: 1" = 100'

DRAWN BY: C. HOWARD

CHECKED BY: R. BOHN

PROJECT: 70644.8000.01

SHEET: 9 / 12

NOTES

- BUILDING FOOTPRINTS AND STREETS SHOWN WITH LIGHT, DASHED LINES ARE REFERENCED FROM CITY OF RALEIGH GIS PLANIMETRICS. THE DATA IS SHOWN FOR REFERENCE PURPOSES ONLY AND SHOULD BE CONSIDERED APPROXIMATE.
- LAKE WHEELER ROAD WAS FORMERLY KNOWN AS "RHAMKATTE ROAD" AND "RAM CAT ROAD". THE RIGHT-OF-WAY OF LAKE WHEELER ROAD HAS BEEN LABELED A VARIABLE WIDTH PUBLIC RIGHT-OF-WAY DUE TO THE VARYING WIDTHS REPORTED IN THE PLATS REFERENCED HEREON. THE MAJORITY OF THE ROAD SHOWN ON THIS SHEET OF THE PLAT BORDERS FULLER HEIGHTS. BOOK OF MAPS 1935 PAGE 41 INDICATES A WIDTH OF 50 FEET. THE HOSPITAL FENCE SHOWN ON THIS SHEET VARIES FROM 21 FEET TO 30 FEET OFF THE CENTERLINE OF LAKE WHEELER ROAD. THE RIGHT-OF-WAY ON THE HOSPITAL'S SIDE OF THE ROAD HAS BEEN SHOWN AT A 30 FOOT OFFSET BASED UPON THE MONUMENTS INSTALLED BY MOORE, GARDNER AND ASSOCIATES, INC. BASED ON THEIR "PROPERTY SURVEY FOR DOROTHEA DIX HOSPITAL" DATED MARCH 1964.

PROPERTY OF
STATE OF NORTH CAROLINA
DOROTHEA DIX HOSPITAL
A PORTION OF THE PROPERTY DEFINED BY
PIN # 1703-05-1169
SEE PROPERTY RECORDS BELOW

LAKE WHEELER ROAD
VARIABLE WIDTH PUBLIC R/W
SEE NOTE #2

PROPOSED PARK BOUNDARY LINE
RUNS WITH THE WESTERN R/W LINE
OF LAKE WHEELER ROAD

FULLER HEIGHTS
BM 1935 PG 41

FULLER HEIGHTS
BM 1935 PG 41

DOROTHEA DIX PROPERTY RECORDS

RECORDED DEEDS

BOOK	PAGE	DATED	RECORDED	GRANTOR	GRANTEE	SUMMARY / NOTES
21	22	11/8/1855	1/16/1856	William Collins	State Insane Asylum	Deed for SE portion of the Asylum tract (BM 1885 PG 1)
21	574	4/10/1857	5/19/1857	Sylvester Smith	State Insane Asylum	Deed for NE portion of the Asylum tract (BM 1885 PG 1)
43	373	6/4/1850	2/17/1876	Sylvester Smith	John M. Morehead et al	Deed for 129 acre portion of Asylum tract (BM 1885 PG 1)
43	376	9/10/1850	2/18/1876	Everard & Maria Hunter Hall	John M. Morehead et al	Deed for SW portion portion of the Asylum tract (BM 1885 PG 1)
43	378	11/20/1850	2/18/1876	Margaret Henry	John M. Morehead et al	Quit Claim deed for area described in DB 43 PG 376
76	108	3/15/1883	4/19/1883	Jonathan M. Heck	The NC Insane Asylum	800 SF +/- on south side of Rocky Branch
78	532	4/6/1884	5/12/1884	Jonathan M. Heck	The NC Insane Asylum	2500 SF +/- below the tract conveyed DB 76 PG 108
83	525	4/14/1875	4/23/1885	W. M. Boylan, T. Bailey & W. Grimes	State Insane Asylum	Boundary Line Agreement for BM 1885 PG 1
219	241	3/28/1907	3/29/1907	Elizabeth Grimes	NC State Hospital at Raleigh	The Grimes Land - unrecorded 1907 Riddick-Mann Survey
268	315	4/10/1912	10/16/1912	State Hospital at Raleigh	Raleigh Charlotte & Southern Railway Co	Norfolk Southern Railroad - 60' R/W
274	263	1/7/1913	1/9/1913	State Hospital at Raleigh	Raleigh Charlotte & Southern Railway Co	Norfolk Southern Railroad - 60' R/W
352	140	10/20/1919	12/24/1919	Daniel Allen	State Hospital at Raleigh	Boylan Heights - BM 1911 PG 115 - Lots 312-320
372	534	5/26/1921	6/13/1921	State School for Blind & Deaf	Raleigh State Hospital	Deed for west side of NS Railroad
408	103	11/2/1922	12/7/1922	George Baucom, Jr.	State Hospital at Raleigh	Boylan Heights - BM 1911 PG 115 - Lots 323 & 324
414	29	2/15/1923	3/3/1923	S. G. Allen	State Hospital at Raleigh	Boylan Heights - BM 1911 PG 115 - Lots 325-329, 340, 341-1/2
428	134	10/13/1923	10/15/1923	Victor R. Small	State Hospital at Raleigh	Boylan Heights - BM 1911 PG 115 - Lot 342 (east of Boylan Ave)
431	443	2/15/1924	2/29/1924	Z. Fonville	State Hospital at Raleigh	Boylan Heights - BM 1911 PG 115 - Lots 321 & 322
1340	160	5/26/1921	11/5/1958	State Hospital at Raleigh	State School for the Blind & Deaf	19.8 Acres on South Side of Rocky Branch

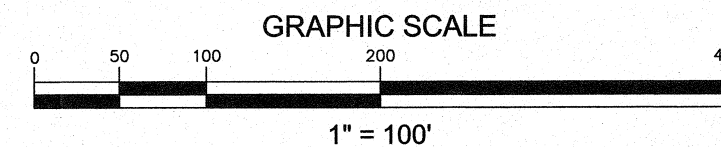
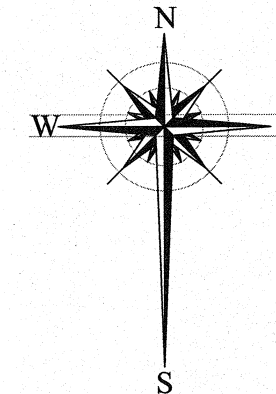
UNRECORDED PLATS

Map of Grimes Land, dated January 1907, by Riddick & Mann
Map of the Property of State Hospital for Insane, dated September 6, 1923, by C.M. Lambe, Civil Engineer, Raleigh, NC
Property survey for Dorothea Dix Hospital, dated March 1964 by Moore, Gardner & Associates, Inc.

ALL RECORDED PLATS AND HIGHWAY MAPS USED FOR THE PREPARATION OF THIS SURVEY HAVE BEEN DULY NOTED IN THE VICINITY OF WHERE EACH PLAT WAS UTILIZED.

MATCHLINE - SHEET 7 of 12
MATCHLINE - SHEET 10 of 12

MATCHLINE - SHEET 9 of 12
MATCHLINE - SHEET 10 of 12



LINE LEGEND

---	PROPERTY LINE SURVEYED
---	ALLOCATION LINE (DOCUMENTED)
---	ALLOCATION LINE (IMPLIED)
---	PROPERTY LINE NOT SURVEYED
---	GIS PARCEL LINES (NOT SURVEYED)
---	LIMIT LINE AS NOTED
---	RIGHT-OF-WAY LINE
---	EASEMENT
---	CENTERLINE OF ROAD
---	EDGE OF WATER
---	CREEK CENTERLINE
---	HISTORIC CREEK CL SHOWN FOR REFERENCE PURPOSES (APPROXIMATE)
---	OVERHEAD UTILITY WIRES
---	STORM DRAINAGE PIPE
---	GRAVITY SEWER
---	SANITARY SEWER EASEMENT
---	PERMANENT UTILITY EASEMENT
---	PERMANENT SLOPE EASEMENT
---	PERMANENT DRAINAGE EASEMENT
---	PERMANENT GREENWAY EASEMENT
---	CURB & GUTTER
---	CHAIN-LINK FENCE
---	WIRE FENCE
---	WOOD FENCE
---	TREE LINE
---	RAILROAD CENTERLINE

SYMBOL LEGEND

⊙	DATUM CONTROL POINT
⊕	VERTICAL BENCHMARK
■	CONC MONUMENT FOUND
●	PROPERTY CORNER FOUND
△	COMPUTED POINT (MISC)
+	SIGN
⊙	SEWER MANHOLE
⊕	STORM DRAINAGE MANHOLE
⊕	CATCH BASIN
⊕	GRATED INLET
⊕	CURB INLET
⊕	OPEN THROAT CURB INLET
⊕	FLARED-END SECTION
☆	LIGHT POLE
⊕	UTILITY POLE
⊕	UTILITY POLE WITH DROP
⊕	UTILITY POLE WITH LIGHT
⊕	UTILITY POLE LIGHT & DROP
⊕	GUY WIRE / ANCHOR
⊕	ELECTRIC MANHOLE
⊕	ELECTRIC TRANSFORMER
⊕	FIRE HYDRANT
⊕	WATER VALVE
⊕	TELEPHONE MANHOLE
⊕	FIBEROPTIC HANDHOLE

BOUNDARY SURVEY
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WAKE COUNTY, RALEIGH, NORTH CAROLINA

REVISIONS:
9/11/13 ADDED PROPOSED
PARK BOUNDARY INFORMATION;
ADDED SHEET 12.

DATE OF SURVEY: JUNE 6, 2013

SCALE: 1" = 100'

DRAWN BY: C. HOWARD

CHECKED BY: R. BOHN

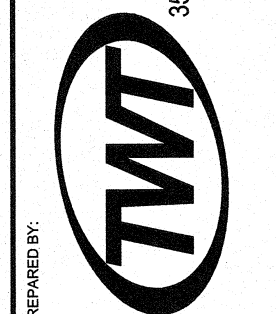
PROJECT: 70644.6000.01

SHEET:

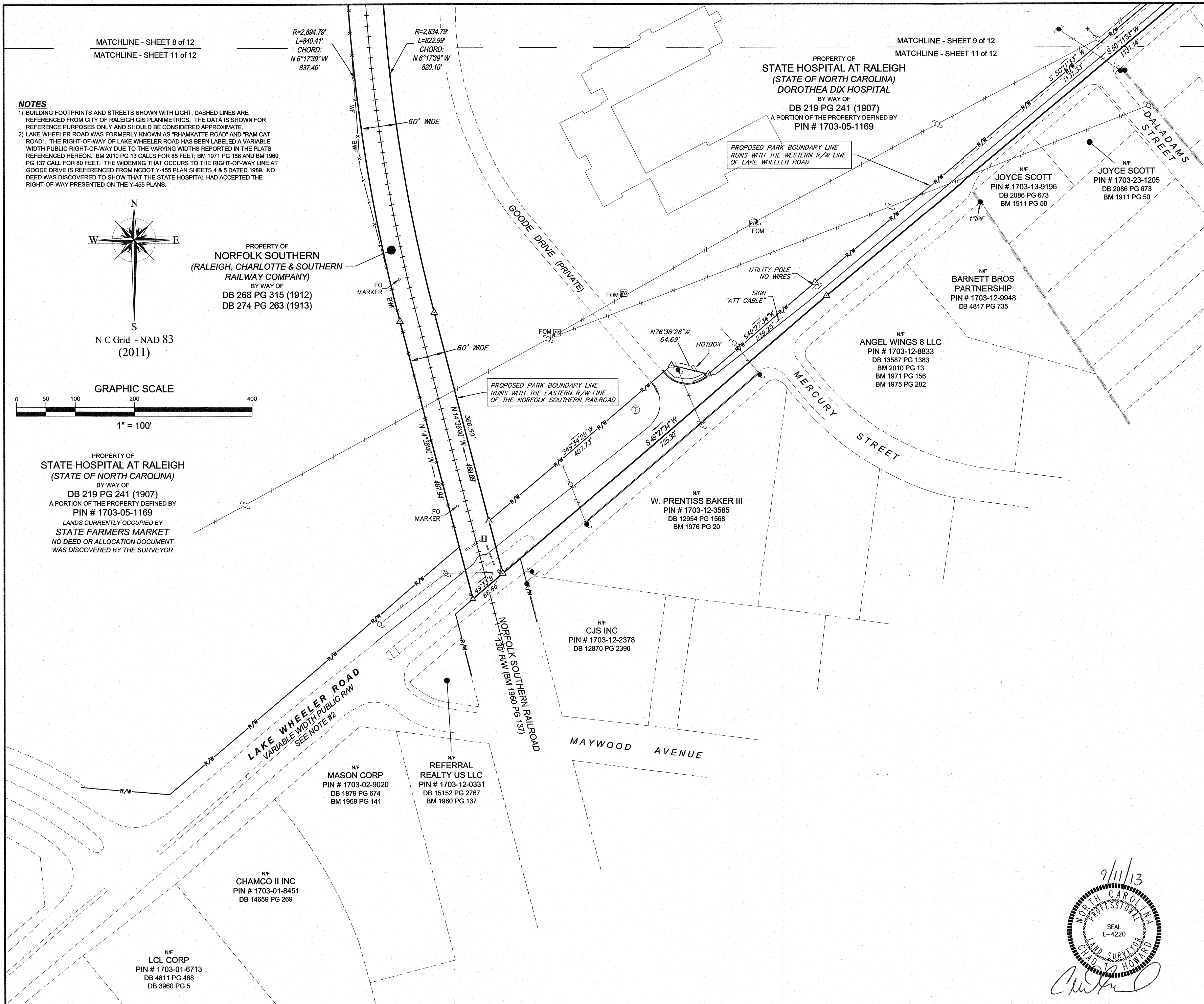
10 / 12

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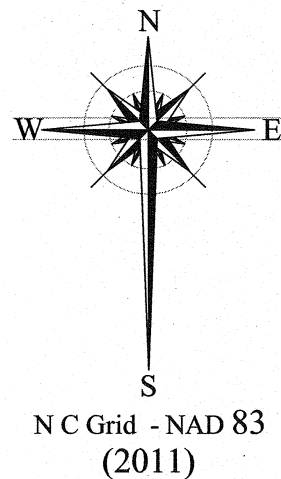
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NOTES
1) BUILDING FOOTPRINTS AND STREETS SHOWN WITH LIGHT, DASHED LINES ARE REFERENCED FROM CITY OF RALEIGH GIS PLANIMETRICS. THE DATA IS SHOWN FOR REFERENCE PURPOSES ONLY AND SHOULD BE CONSIDERED APPROXIMATE.
2) LAKE WHEELER ROAD WAS FORMERLY KNOWN AS "RHAMKATTE ROAD" AND "RAM CAT ROAD". THE RIGHT-OF-WAY OF LAKE WHEELER ROAD HAS BEEN LABELED A VARIABLE WIDTH PUBLIC RIGHT-OF-WAY DUE TO THE VARYING WIDTHS REPORTED IN THE PLATS REFERENCED HEREON. BM 2010 PG 13 CALLS FOR 85 FEET; BM 1971 PG 156 AND BM 1980 PG 137 CALL FOR 80 FEET. THE WIDENING THAT OCCURS TO THE RIGHT-OF-WAY LINE AT GOODE DRIVE IS REFERENCED FROM NCDOT Y-455 PLAN SHEETS 4 & 5 DATED 1989. NO DEED WAS DISCOVERED TO SHOW THAT THE STATE HOSPITAL HAD ACCEPTED THE RIGHT-OF-WAY PRESENTED ON THE Y-455 PLANS.



PROPERTY OF
STATE HOSPITAL AT RALEIGH
(STATE OF NORTH CAROLINA)
BY WAY OF
DB 219 PG 241 (1907)
A PORTION OF THE PROPERTY DEFINED BY
PIN # 1703-05-1169
LANDS CURRENTLY OCCUPIED BY
STATE FARMERS MARKET
NO DEED OR ALLOCATION DOCUMENT
WAS DISCOVERED BY THE SURVEYOR

PROPERTY OF
NORFOLK SOUTHERN
(RALEIGH, CHARLOTTE & SOUTHERN
RAILWAY COMPANY)
BY WAY OF
DB 268 PG 315 (1912)
DB 274 PG 263 (1913)

PROPERTY OF
STATE HOSPITAL AT RALEIGH
(STATE OF NORTH CAROLINA)
DOROTHEA DIX HOSPITAL
BY WAY OF
DB 219 PG 241 (1907)
A PORTION OF THE PROPERTY DEFINED BY
PIN # 1703-05-1169

PROPOSED PARK BOUNDARY LINE
RUNS WITH THE WESTERN R/W LINE
OF LAKE WHEELER ROAD

PROPOSED PARK BOUNDARY LINE
RUNS WITH THE EASTERN R/W LINE
OF THE NORFOLK SOUTHERN RAILROAD

NF
JOYCE SCOTT
PIN # 1703-13-9196
DB 2086 PG 673
BM 1911 PG 50

NF
JOYCE SCOTT
PIN # 1703-23-1205
DB 2086 PG 673
BM 1911 PG 50

NF
**BARNETT BROS
PARTNERSHIP**
PIN # 1703-12-9948
DB 4817 PG 735

NF
ANGEL WINGS 8 LLC
PIN # 1703-12-8833
DB 13587 PG 1383
BM 2010 PG 13
BM 1971 PG 156
BM 1975 PG 282

NF
W. PRENTISS BAKER III
PIN # 1703-12-3585
DB 12954 PG 1568
BM 1976 PG 20

NF
CJS INC
PIN # 1703-12-2378
DB 12870 PG 2390

NF
MASON CORP
PIN # 1703-02-9020
DB 1879 PG 674
BM 1969 PG 141

NF
**REFERRAL
REALTY US LLC**
PIN # 1703-12-0331
DB 15152 PG 2767
BM 1960 PG 137

NF
CHAMCO II INC
PIN # 1703-01-8451
DB 14659 PG 269

NF
LCL CORP
PIN # 1703-01-6713
DB 4811 PG 468
DB 3960 PG 5

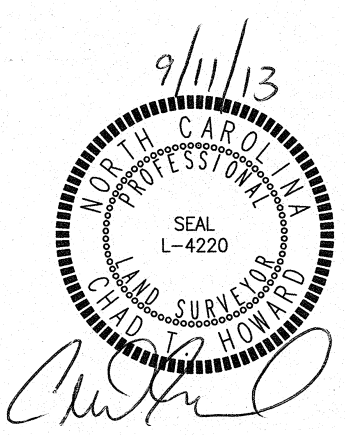
PREPARED FOR:
CITY OF RALEIGH
PUBLIC WORKS DEPT AND
PARKS & RECREATION DEPT
PO BOX 590 - RALEIGH, NC
(919) 986-3030

PREPARED BY:
TAYLOR WISEMAN & TAYLOR
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SCIENTISTS
SUBSURFACE UTILITY ENGINEERS
3500 REGENCY PARKWAY, SUITE 260, CARY, NC 27518
PHONE (919) 237-0085 FAX (919) 237-0090
NORTH CAROLINA LICENSE NUMBER: F-0362

BOUNDARY SURVEY
PROPOSED DOROTHEA DIX PARK
PREPARED FOR THE CITY OF RALEIGH
820 S. BOYLAN AVENUE
WAKE COUNTY, RALEIGH, NORTH CAROLINA

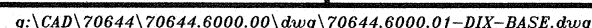
REVISIONS:
9/11/13 - ADDED PROPOSED
PARK BOUNDARY INFORMATION;
ADDED SHEET 12.

DATE OF SURVEY: JUNE 6, 2013
SCALE: 1" = 100'
DRAWN BY: C. HOWARD
CHECKED BY: R. BOWEN
PROJECT: 70644.6000.01
SHEET: 11 / 12



- 1) THE PURPOSE OF THIS SHEET (12 OF 12) IS TO DEPICT THE PROPOSED PARK BOUNDARY IN A CLEAR AND FACTUAL MANNER. REFERENCE SHOULD BE MADE TO THE 100-SCALE DRAWING SHEETS THAT MORE CLEARLY DEFINE THE BOUNDARY, RIGHT-OF-WAY AND ALLOCATION LINES ALONG WHICH THE PARK BOUNDARY RUNS.
- 2) THE PARK BOUNDARY DOES NOT INCLUDE THE LAND LYING WITHIN THE NORFOLK SOUTHERN RAILROAD RIGHT-OF-WAY. THE LINES HAVE BEEN DRAWN ACROSS THE RIGHT-OF-WAY AT THE POINTS WHERE THE PARK BOUNDARY CROSSES IT, BUT THE AREA OF THE RAILROAD RIGHT-OF-WAY IS EXCLUDED FROM THE AREA OF THE PARK.

143.599 ACRES	WEST OF NORFOLK SOUTHERN RAILROAD
164.351 ACRES	EAST OF NORFOLK SOUTHERN RAILROAD
307.950 ACRES	TOTAL



9/11/2013

The seal is circular with a double-lined border. The outer ring contains the text "NORTH CAROLINA" at the top and "LAND SURVEYOR" at the bottom, separated by small dots. The inner circle contains the text "SEAL" and "L-4220". A signature, "Chad L. Howard", is written across the bottom of the seal.

TAYLOR WISEMAN & TAYLOR
ENGINEERS ■ SURVEYORS ■ SCIENTISTS
SUBSURFACE UTILITY ENGINEERS
35500 REGENCY PARKWAY, SUITE 260, CARY, NC 27518
PHONE (919) 297-4085 FAX (919) 297-0090
NORTH CAROLINA LICENSE NUMBER: F-0362

REVISIONS:
9/11/13 - ADDED PROPOSED
PARK BOUNDARY INFORMATION;
ADDED SHEET 12.

DATE OF SURVEY:	JUNE 6, 2013
SCALE:	1" = 400'
DRAWN BY:	C. HOWARD
CHECKED BY:	R. BOHN
PROJECT:	70644.8000.01

SHEET:
12 / 12



United States
Department of
Agriculture



NRCS

Natural
Resources
Conservation
Service

A product of the National
Cooperative Soil Survey,
a joint effort of the United
States Department of
Agriculture and other
Federal agencies, State
agencies including the
Agricultural Experiment
Stations, and local
participants

Custom Soil Resource Report for **Wake County, North Carolina**

Dorothea Dix - Parcel A



February 12, 2014

Preface

Soil surveys contain information that affects land use planning in survey areas. They highlight soil limitations that affect various land uses and provide information about the properties of the soils in the survey areas. Soil surveys are designed for many different users, including farmers, ranchers, foresters, agronomists, urban planners, community officials, engineers, developers, builders, and home buyers. Also, conservationists, teachers, students, and specialists in recreation, waste disposal, and pollution control can use the surveys to help them understand, protect, or enhance the environment.

Various land use regulations of Federal, State, and local governments may impose special restrictions on land use or land treatment. Soil surveys identify soil properties that are used in making various land use or land treatment decisions. The information is intended to help the land users identify and reduce the effects of soil limitations on various land uses. The landowner or user is responsible for identifying and complying with existing laws and regulations.

Although soil survey information can be used for general farm, local, and wider area planning, onsite investigation is needed to supplement this information in some cases. Examples include soil quality assessments (<http://www.nrcs.usda.gov/wps/portal/nrcs/main/soils/health/>) and certain conservation and engineering applications. For more detailed information, contact your local USDA Service Center (<http://offices.sc.egov.usda.gov/locator/app?agency=nrcs>) or your NRCS State Soil Scientist (http://www.nrcs.usda.gov/wps/portal/nrcs/detail/soils/contactus/?cid=nrcs142p2_053951).

Great differences in soil properties can occur within short distances. Some soils are seasonally wet or subject to flooding. Some are too unstable to be used as a foundation for buildings or roads. Clayey or wet soils are poorly suited to use as septic tank absorption fields. A high water table makes a soil poorly suited to basements or underground installations.

The National Cooperative Soil Survey is a joint effort of the United States Department of Agriculture and other Federal agencies, State agencies including the Agricultural Experiment Stations, and local agencies. The Natural Resources Conservation Service (NRCS) has leadership for the Federal part of the National Cooperative Soil Survey.

Information about soils is updated periodically. Updated information is available through the NRCS Web Soil Survey, the site for official soil survey information.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means

for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

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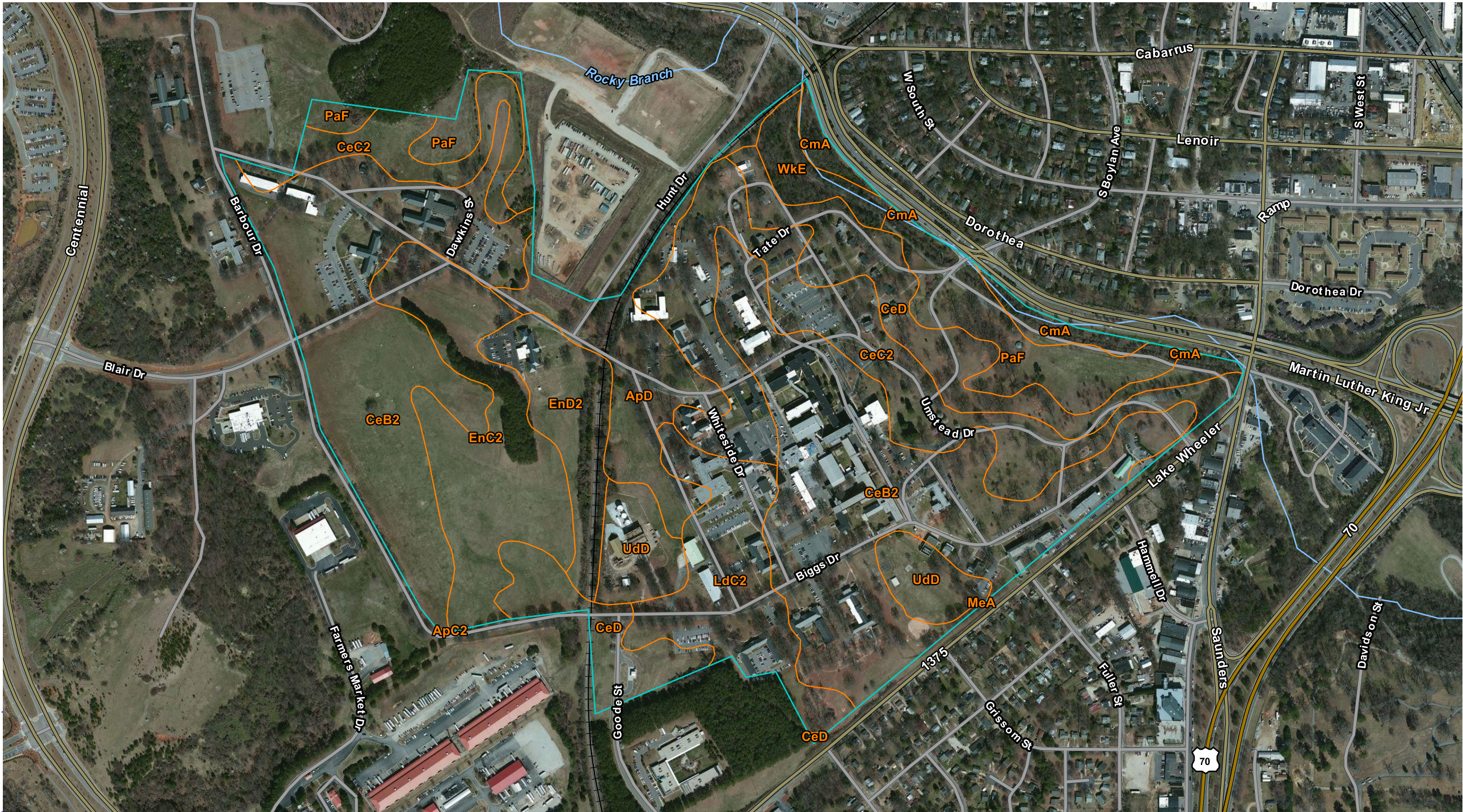
 Map Unit Description (Brief, Generated) (Dorothea Dix - Parcel A).....8

Soil Map

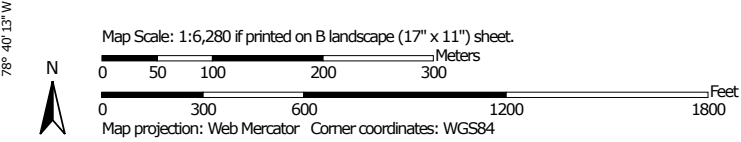
The soil map section includes the soil map for the defined area of interest, a list of soil map units on the map and extent of each map unit, and cartographic symbols displayed on the map. Also presented are various metadata about data used to produce the map, and a description of each soil map unit.

Custom Soil Resource Report
Soil Map

35° 46' 30" N




35° 45' 49" N





MAP LEGEND


Area of Interest (AOI)

 Area of Interest (AOI)

Soils


 Soil Map Unit Polygons


 Soil Map Unit Lines


 Soil Map Unit Points


Special Point Features

 Blowout

 Borrow Pit

 Clay Spot

 Closed Depression

 Gravel Pit


 Gravelly Spot

 Landfill


 Lava Flow


 Marsh or swamp


 Mine or Quarry


 Miscellaneous Water

 Perennial Water


 Rock Outcrop


 Saline Spot

 Sandy Spot

 Severely Eroded Spot


 Sinkhole


 Slide or Slip


 Sodic Spot


 Spoil Area

 Stony Spot


 Very Stony Spot

 Wet Spot

 Other


 Special Line Features

Water Features

 Streams and Canals


Transportation

 Rails


 Interstate Highways

 US Routes

 Major Roads

 Local Roads

Background

 Aerial Photography

MAP INFORMATION

The soil surveys that comprise your AOI were mapped at 1:15,800.

Warning: Soil Map may not be valid at this scale.

Enlargement of maps beyond the scale of mapping can cause misunderstanding of the detail of mapping and accuracy of soil line placement. The maps do not show the small areas of contrasting soils that could have been shown at a more detailed scale.

Please rely on the bar scale on each map sheet for map measurements.

Source of Map: Natural Resources Conservation Service
Web Soil Survey URL: <http://websoilsurvey.nrcs.usda.gov>
Coordinate System: Web Mercator (EPSG:3857)

Maps from the Web Soil Survey are based on the Web Mercator projection, which preserves direction and shape but distorts distance and area. A projection that preserves area, such as the Albers equal-area conic projection, should be used if more accurate calculations of distance or area are required.

This product is generated from the USDA-NRCS certified data as of the version date(s) listed below.

Soil Survey Area: Wake County, North Carolina
Survey Area Data: Version 11, Dec 21, 2013

Soil map units are labeled (as space allows) for map scales 1:50,000 or larger.

Date(s) aerial images were photographed: Jul 20, 2010—Mar 17, 2011

The orthophoto or other base map on which the soil lines were compiled and digitized probably differs from the background imagery displayed on these maps. As a result, some minor shifting of map unit boundaries may be evident.

Soil Information for All Uses

Soil Reports

The Soil Reports section includes various formatted tabular and narrative reports (tables) containing data for each selected soil map unit and each component of each unit. No aggregation of data has occurred as is done in reports in the Soil Properties and Qualities and Suitabilities and Limitations sections.

The reports contain soil interpretive information as well as basic soil properties and qualities. A description of each report (table) is included.

AOI Inventory

This folder contains a collection of tabular reports that present a variety of soil information. Included are various map unit description reports, special soil interpretation reports, and data summary reports.

Map Unit Description (Brief, Generated) (Dorothea Dix - Parcel A)

The map units delineated on the detailed soil maps in a soil survey represent the soils or miscellaneous areas in the survey area. The map unit descriptions in this report, along with the maps, can be used to determine the composition and properties of a unit.

A map unit delineation on a soil map represents an area dominated by one or more major kinds of soil or miscellaneous areas. A map unit is identified and named according to the taxonomic classification of the dominant soils. Within a taxonomic class there are precisely defined limits for the properties of the soils. On the landscape, however, the soils are natural phenomena, and they have the characteristic variability of all natural phenomena. Thus, the range of some observed properties may extend beyond the limits defined for a taxonomic class. Areas of soils of a single taxonomic class rarely, if ever, can be mapped without including areas of other taxonomic classes. Consequently, every map unit is made up of the soils or miscellaneous areas for which it is named and some minor components that belong to taxonomic classes other than those of the major soils.

The Map Unit Description (Brief, Generated) report displays a generated description of the major soils that occur in a map unit. Descriptions of non-soil (miscellaneous

areas) and minor map unit components are not included. This description is generated from the underlying soil attribute data.

Additional information about the map units described in this report is available in other Soil Data Mart reports, which give properties of the soils and the limitations, capabilities, and potentials for many uses. Also, the narratives that accompany the Soil Data Mart reports define some of the properties included in the map unit descriptions.

Report—Map Unit Description (Brief, Generated) (Dorothea Dix - Parcel A)

Wake County, North Carolina

Map Unit: ApB2—Appling sandy loam, 2 to 6 percent slopes, moderately eroded

Component: Appling, moderately eroded (83%)

The Appling, moderately eroded component makes up 83 percent of the map unit. Slopes are 2 to 6 percent. This component is on uplands, interfluves. The parent material consists of saprolite derived from granite and gneiss and/or schist. Depth to a root restrictive layer is greater than 60 inches. The natural drainage class is well drained. Water movement in the most restrictive layer is moderately high. Available water to a depth of 60 inches is moderate. Shrink-swell potential is low. This soil is not flooded. It is not ponded. There is no zone of water saturation within a depth of 72 inches. Organic matter content in the surface horizon is about 1 percent. Nonirrigated land capability classification is 2e. This soil does not meet hydric criteria.

Map Unit: ApC2—Appling sandy loam, 6 to 10 percent slopes, moderately eroded

Component: Appling, moderately eroded (90%)

The Appling, moderately eroded component makes up 90 percent of the map unit. Slopes are 6 to 10 percent. This component is on hillslopes on ridges, uplands. The parent material consists of saprolite derived from granite and gneiss and/or schist. Depth to a root restrictive layer is greater than 60 inches. The natural drainage class is well drained. Water movement in the most restrictive layer is moderately high. Available water to a depth of 60 inches is moderate. Shrink-swell potential is low. This soil is not flooded. It is not ponded. There is no zone of water saturation within a depth of 72 inches. Organic matter content in the surface horizon is about 1 percent. Nonirrigated land capability classification is 3e. This soil does not meet hydric criteria.

Map Unit: ApD—Appling sandy loam, 10 to 15 percent slopes

Component: Appling (85%)

The Appling component makes up 85 percent of the map unit. Slopes are 8 to 15 percent. This component is on hillslopes on ridges, uplands. The parent material consists of saprolite derived from granite and gneiss and/or schist. Depth to a root

Custom Soil Resource Report

restrictive layer is greater than 60 inches. The natural drainage class is well drained. Water movement in the most restrictive layer is moderately high. Available water to a depth of 60 inches is moderate. Shrink-swell potential is low. This soil is not flooded. It is not ponded. There is no zone of water saturation within a depth of 72 inches. Organic matter content in the surface horizon is about 1 percent. Nonirrigated land capability classification is 3e. This soil does not meet hydric criteria.

Map Unit: CeB2—Cecil sandy loam, 2 to 6 percent slopes, moderately eroded

Component: Cecil, moderately eroded (90%)

The Cecil, moderately eroded component makes up 90 percent of the map unit. Slopes are 2 to 6 percent. This component is on interfluvies, uplands. The parent material consists of saprolite derived from granite and gneiss and/or schist. Depth to a root restrictive layer is greater than 60 inches. The natural drainage class is well drained. Water movement in the most restrictive layer is moderately high. Available water to a depth of 60 inches is moderate. Shrink-swell potential is low. This soil is not flooded. It is not ponded. There is no zone of water saturation within a depth of 72 inches. Organic matter content in the surface horizon is about 1 percent. Nonirrigated land capability classification is 2e. This soil does not meet hydric criteria.

Map Unit: CeC2—Cecil sandy loam, 6 to 10 percent slopes, moderately eroded

Component: Cecil, moderately eroded (85%)

The Cecil, moderately eroded component makes up 85 percent of the map unit. Slopes are 6 to 10 percent. This component is on interfluvies, uplands. The parent material consists of saprolite derived from granite and gneiss and/or schist. Depth to a root restrictive layer is greater than 60 inches. The natural drainage class is well drained. Water movement in the most restrictive layer is moderately high. Available water to a depth of 60 inches is moderate. Shrink-swell potential is low. This soil is not flooded. It is not ponded. There is no zone of water saturation within a depth of 72 inches. Organic matter content in the surface horizon is about 1 percent. Nonirrigated land capability classification is 3e. This soil does not meet hydric criteria.

Map Unit: CeD—Cecil sandy loam, 10 to 15 percent slopes

Component: Cecil (85%)

The Cecil component makes up 85 percent of the map unit. Slopes are 8 to 15 percent. This component is on interfluvies, uplands. The parent material consists of saprolite derived from granite and gneiss and/or schist. Depth to a root restrictive layer is greater than 60 inches. The natural drainage class is well drained. Water movement in the most restrictive layer is moderately high. Available water to a depth of 60 inches is moderate. Shrink-swell potential is low. This soil is not flooded. It is not ponded. There is no zone of water saturation within a depth of 72 inches. Organic matter content in the surface horizon is about 1 percent. Nonirrigated land capability classification is 3e. This soil does not meet hydric criteria.

Map Unit: CmA—Chewacla sandy loam, 0 to 2 percent slopes, frequently flooded

Component: Chewacla, frequently flooded (85%)

The Chewacla, frequently flooded component makes up 85 percent of the map unit. Slopes are 0 to 2 percent. This component is on flood plains, valleys. The parent material consists of loamy alluvium derived from igneous and metamorphic rock. Depth to a root restrictive layer is greater than 60 inches. The natural drainage class is somewhat poorly drained. Water movement in the most restrictive layer is moderately high. Available water to a depth of 60 inches is high. Shrink-swell potential is low. This soil is frequently flooded. It is not ponded. A seasonal zone of water saturation is at 15 inches during January, February, March, December. Organic matter content in the surface horizon is about 3 percent. Nonirrigated land capability classification is 4w. This soil does not meet hydric criteria.

Component: Wehadkee, undrained (5%)

Generated brief soil descriptions are created for major components. The Wehadkee soil is a minor component.

Component: Riverview (3%)

Generated brief soil descriptions are created for major components. The Riverview soil is a minor component.

Map Unit: EnC2—Enon fine sandy loam, 6 to 10 percent slopes, moderately eroded

Component: Enon, moderately eroded (85%)

The Enon, moderately eroded component makes up 85 percent of the map unit. Slopes are 6 to 10 percent. This component is on hillslopes on ridges, uplands. The parent material consists of residuum weathered from diorite and/or residuum weathered from gabbro and/or residuum weathered from diabase and/or residuum weathered from gneiss. Depth to a root restrictive layer is greater than 60 inches. The natural drainage class is well drained. Water movement in the most restrictive layer is moderately low. Available water to a depth of 60 inches is high. Shrink-swell potential is moderate. This soil is not flooded. It is not ponded. There is no zone of water saturation within a depth of 72 inches. Organic matter content in the surface horizon is about 1 percent. Nonirrigated land capability classification is 3e. This soil does not meet hydric criteria.

Map Unit: EnD2—Enon fine sandy loam, 10 to 15 percent slopes, moderately eroded

Component: Enon, moderately eroded (75%)

The Enon, moderately eroded component makes up 75 percent of the map unit. Slopes are 10 to 15 percent. This component is on hillslopes on ridges, uplands. The parent material consists of residuum weathered from diorite and/or residuum weathered from gabbro and/or residuum weathered from diabase and/or residuum weathered from gneiss. Depth to a root restrictive layer is greater than 60 inches. The

Custom Soil Resource Report

natural drainage class is well drained. Water movement in the most restrictive layer is moderately low. Available water to a depth of 60 inches is high. Shrink-swell potential is moderate. This soil is not flooded. It is not ponded. There is no zone of water saturation within a depth of 72 inches. Organic matter content in the surface horizon is about 1 percent. Nonirrigated land capability classification is 4e. This soil does not meet hydric criteria.

Map Unit: LdC2—Lloyd loam, 6 to 10 percent slopes, moderately eroded

Component: Lloyd, moderately eroded (100%)

The Lloyd, moderately eroded component makes up 100 percent of the map unit. Slopes are 6 to 10 percent. This component is on hillslopes on ridges, uplands. The parent material consists of residuum weathered from diorite and/or gabbro and/or diabase and/or gneiss. Depth to a root restrictive layer is greater than 60 inches. The natural drainage class is well drained. Water movement in the most restrictive layer is moderately high. Available water to a depth of 60 inches is moderate. Shrink-swell potential is low. This soil is not flooded. It is not ponded. There is no zone of water saturation within a depth of 72 inches. Organic matter content in the surface horizon is about 1 percent. Nonirrigated land capability classification is 3e. This soil does not meet hydric criteria.

Map Unit: MeA—Mantachie sandy loam, 0 to 2 percent slopes, rarely flooded

Component: Mantachie (90%)

The Mantachie component makes up 90 percent of the map unit. Slopes are 0 to 2 percent. This component is on coastal plains, flood plains. The parent material consists of loamy alluvium. Depth to a root restrictive layer is greater than 60 inches. The natural drainage class is somewhat poorly drained. Water movement in the most restrictive layer is moderately high. Available water to a depth of 60 inches is high. Shrink-swell potential is low. This soil is rarely flooded. It is not ponded. A seasonal zone of water saturation is at 12 inches during January, February, March, April, May, December. Organic matter content in the surface horizon is about 2 percent. Nonirrigated land capability classification is 2w. This soil does not meet hydric criteria.

Map Unit: PaF—Pacolet sandy loam, 15 to 45 percent slopes

Component: Pacolet (85%)

The Pacolet component makes up 85 percent of the map unit. Slopes are 15 to 45 percent. This component is on hillslopes on ridges, uplands. The parent material consists of saprolite derived from granite and gneiss and/or schist. Depth to a root restrictive layer is greater than 60 inches. The natural drainage class is well drained. Water movement in the most restrictive layer is moderately high. Available water to a depth of 60 inches is moderate. Shrink-swell potential is low. This soil is not flooded. It is not ponded. There is no zone of water saturation within a depth of 72 inches. Organic matter content in the surface horizon is about 1 percent. Nonirrigated land capability classification is 6e. This soil does not meet hydric criteria.

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Component: Madison (6%)

Generated brief soil descriptions are created for major components. The Madison soil is a minor component.

Component: Bethlehem (5%)

Generated brief soil descriptions are created for major components. The Bethlehem soil is a minor component.

Component: Wateree (4%)

Generated brief soil descriptions are created for major components. The Wateree soil is a minor component.

Map Unit: UdD—Udorthents loamy, 0 to 15 percent slopes

Component: Udorthents, loamy (85%)

The Udorthents, loamy component makes up 85 percent of the map unit. Slopes are 0 to 25 percent. This component is on hillslopes on ridges, uplands. The parent material consists of loamy and clayey mine spoil or earthy fill derived from igneous, metamorphic and sedimentary rock. Depth to a root restrictive layer is greater than 60 inches. The natural drainage class is well drained. Water movement in the most restrictive layer is low. Available water to a depth of 60 inches is moderate. Shrink-swell potential is moderate. This soil is not flooded. It is not ponded. There is no zone of water saturation within a depth of 72 inches. Organic matter content in the surface horizon is about 1 percent. Nonirrigated land capability classification is 7e. This soil does not meet hydric criteria.

Component: Urban land (8%)

Generated brief soil descriptions are created for major components. The Urban land soil is a minor component.

Map Unit: WkE—Wake-Wateree complex, 10 to 25 percent slopes, very rocky

Component: Wake, very rocky (50%)

The Wake, very rocky component makes up 50 percent of the map unit. Slopes are 15 to 30 percent. This component is on hillslopes on ridges, uplands. The parent material consists of residuum weathered from granite and gneiss. Depth to a root restrictive layer, bedrock, lithic, is 8 to 20 inches. The natural drainage class is excessively drained. Water movement in the most restrictive layer is very low. Available water to a depth of 60 inches is very low. Shrink-swell potential is low. This soil is not flooded. It is not ponded. There is no zone of water saturation within a depth of 72 inches. Organic matter content in the surface horizon is about 1 percent. Nonirrigated land capability classification is 6s. This soil does not meet hydric criteria.

Custom Soil Resource Report

Component: Wateree, very rocky (35%)

The Wateree, very rocky component makes up 35 percent of the map unit. Slopes are 15 to 30 percent. This component is on hillslopes on ridges, uplands. The parent material consists of saprolite derived from granite and gneiss. Depth to a root restrictive layer, bedrock, paralithic, is 20 to 40 inches. The natural drainage class is well drained. Water movement in the most restrictive layer is very low. Available water to a depth of 60 inches is low. Shrink-swell potential is low. This soil is not flooded. It is not ponded. There is no zone of water saturation within a depth of 72 inches. Organic matter content in the surface horizon is about 1 percent. Nonirrigated land capability classification is 6s. This soil does not meet hydric criteria.

Component: Rock outcrop (5%)

Rock outcrop is a miscellaneous area. It consists of bare hard bedrock, mainly unweathered igneous and metamorphic rock. Land capability classification is 8s.

Component: Rion, very rocky (5%)

Generated brief soil descriptions are created for major components. The Rion soil is a minor component.

Component: Wilkes, very rocky (2%)

Generated brief soil descriptions are created for major components. The Wilkes soil is a minor component.

**EXISTING BUILDING EVALUATION
DIX PROPERTY**

		MAP / PHOTO KEY	ORIGINAL CONSTRUCTION	CURRENTLY CONTRIBUTING	POTENTIALLY CONTRIBUTING	NON-CONTRIBUTING	RENOVATED / SATISFACTORY DISTRICT	NOT RENOVATED / SATISFACTORY CONDITION	ABANDONED / NEEDS WORK	AESTHETIC / MARGINAL	UNATTRACTIVE / LACKING ARCHITECTURAL MERIT	GROSS SF	RENOVATION COST ¹	COSTS > \$200K	COSTS > \$500K	CURRENT USE
EAST OF RAIL LINE	McBRYDE NORTH - DORM WING	1	1850's	●			●	●				61,576	\$215,000	●		HOSPITAL
	McBRYDE SOUTH - DORM WING	1	1850's	●			●	●				78,016	\$717,000	●		HOSPITAL
	McBRYDE EAST - A/B	2	1951	●						●		91,526	\$185,000			HOSPITAL
	HARGROVE	3	1975			●	●			●		25,500	\$10,000			SURGERY
	DOBBIN (CHILLER)	4	1935	●				●		●		22,285	\$278,000	●		UNOCCUPIED
	McBRYDE SOUTH - B	5	1914	●				●		●		21,372	\$280,000	●		HOSPITAL
	McBRYDE SOUTH - C	6	1914	●				●		●		15,348	\$616,000	●		HOSPITAL
	McBRYDE NORTH - B	7	1914	●					●			43,380	\$190,000			HOSPITAL
	McBRYDE WEST - E	8	1914	●						●						HOSPITAL
	McBRYDE WEST - D	9	1954	●				●	●			21,610	\$210,000	●		HOSPITAL
	McBRYDE WEST - A	10	1921	●	●			●	●			24,366	\$866,000		●	FOOD SERVICE
	McBRYDE WEST - B	11	1921	●	●			●		●		31,413	\$1,378,000		●	KITCHEN
	McBRYDE WEST - C	12	1921	●	●			●		●		24,634	\$78,000		●	CAFETERIA
	COLD STORAGE BUILDING	13	1910			●				●		6,638	-			COLD STORAGE
	GRAHAM	14	1955			●	●			●		7,525	\$257,000	●		DAYCARE
	TAYLOR	15	1955		●			●		●		16,470	\$215,000	●		OFFICE
	ANDERSON	16	1915	●	●		●		●			35,366	\$97,000			OFFICE
	HARVEY	17	1924	●	●			●		●		7,830	\$263,000	●		OFFICE
	BUFFALO HOUSE	18	1898	●	●					●		2,586	-			OFFICE
	BENNER HOUSE	19	1925	●	●				●	●		3,132	-			UNOCCUPIED
	BROWN	20	1930	●	●		●			●		33,558	\$451,000	●		OFFICE
	CLARK	21	1935	●	●		●			●		18,697	\$106,000			OFFICE
	BROUGHTON	22	1939	●	●			●	●			15,222	\$596,000		●	OFFICE
	POWER PLANT	23	1950		●				●			16,320	\$578,000		●	POWER PLANT
	HOEY	24	1939	●	●		●			●		23,783	\$47,000			OFFICE
	HAYWOOD GYM	25	1950		●					●		28,311	-	●		OFFICE / GYM
	EDGERTON	26	1935	●	●					●		26,649	\$368,000	●		OFFICE
	LAUNDRY / SHOP	27	1910	●	●				●			7,848	\$40,000			SHOP
	OLD BOILER ROOM	28	1910	●	●					●		9,993	\$142,000			GARAGE
	ENGINEERING OFFICE	29	1953	●	●					●		2,772	\$86,000			OFFICE
	CARPENTER SHOP	30	1910	●	●					●		7,052	\$47,000			SHOP
	SPRUILL	31	1935	●	●		●			●		46,464	\$1,200,000	●		FORENSIC UNIT
	LINEBERGER	32	1950		●		●			●		34,529	\$5,000			OFFICE
	WRIGHT	33	1939		●		●			●		14,126	\$39,000			OFFICE
	WAREHOUSE	34	1939		●					●		2,910	\$114,000			WAREHOUSE
	ALL FAITHS CHAPEL	35	1956		●					●		11,852	\$263,000	●		CHAPEL
	ROYSTER	36	1924		●		●			●		20,440	-			OFFICE
	STAFF HOUSING, RICHARDSON DR.	37	1920'S									-	-			OFFICE
	STAFF HOUSING, TATE CIRCLE	38	1930'S									-	-			UNOCCUPIED
	DOCTORS HOUSING, TATE/STANCILL	39	1930'S									-	-			VARIES
	SUPERINTENDENT'S HOUSE	40	1923	●	●		●		●			3,694	\$60,000			COURT BUILDING
	DOCTOR'S RESIDENCE	41	1923	●	●				●			-	-			STORAGE
	GATE KEEPER'S HOUSE	42	1923	●	●				●			1,336	-			STORAGE
WEST OF RAIL LINE	WILLIAMS	45	1939		●			●		●		23,969	\$545,000	●		SCHOOL
	KIRBY	46	1985		●			●		●		56,611	\$566,000	●		OFFICE
	ADAMS	48	1939		●		●			●		34,472	-			OFFICE
	FLOWER COTTAGE	49	1910									-	-			UNOCCUPIED
	ASHBY	50	1950		●			●		●		17,851	\$525,000	●		OFFICE/HOSPITAL
	SCOTT	51	1955							●		12,619	\$863,000	●		TRAINING/HOSPITAL

¹-COST TO RESTORE POWER PLANT

1,011,651 \$12,496,000

* Costs depicted here reflect renovations identified by the NC Property Office FCAP Report. These renovations typically are geared toward basic shell or mechanical improvements and are not intended to reflect expenditures required to upgrade for new office or residential uses.

Building Number	Map Grid	Building Name	Building Footprint (SF)	Parking Area (SF)	Adjusted Building Footprint (SF)	Adjusted Parking Area (SF)	Notes on Parking Area Calculations	
1	G - 12	Adams	11,720	66,140	11,720	66,140	Visitors lot in front and two lots in back	
2	T - 8	Anderson	20,920	4,370	20,920	4,370	Area north of Palmer Dr	
3	E - 12	Ashby	7,410	24,920	7,410	24,920	Dock area, area north of Umstead Dr, and rear lots	
4	R - 13	Broughton	14,990	64,720	14,990	64,720		
5	S - 11	Brown	14,360	27,240	14,360	27,240	Large parking lot on the other side of Biggs Dr	
6	N - 8	Chapel	10,250	8,220	10,250	8,220	Section southeast of Chapel on Umstead Dr and section northwest on Richard Dr	
7	S - 9	Chiller Plant	9,770	2,410	9,770	2,410		
8	R - 12	Clark	16,100	20,430	16,100	20,430	Includes parking lot for Brown Building	
9	R - 9	Dobbin	12,010	4,560	12,010	4,560	Lot to the southwest along Biggs Dr	
10	N - 10	Edgerton	9,250	17,610	9,250	17,610	Includes lots to the southeast and the southwest	
11	P - 10	Engineering	5,340	45,360	5,340	45,360	Includes lot on Whiteside Dr and lots to the south and east	
12	N - 13	Fuel Tanks	n/a	n/a	16,060	n/a		
13	Q - 15	Gas Station	n/a	n/a	870	7,940		
14	R - 4	Gazebo	n/a	n/a	0	0		
15	U - 5	Graham	n/a	n/a	2,310	10,790		
16	L - 7	Greenhouse	1,630	3,430	0	3,430		
17	P - 8	Hargrove	7,710	57,210	7,710	57,210	Main parking in front of McBryde including all grassy medians	
18	R - 8	Harvey	8,760	20,220	8,760	20,220	Two areas in the back and all of Picot Dr	
19	O - 11	Haywood	25,320	21,930	25,320	21,930	Includes lots to the southeast, southwest, and two lots along Ruggles Dr	
20	P - 11	Hoey	10,240	19,280	10,240	19,280	Includes lots to the east and southwest	
21	S - 9	House E. of Chiller Plant	2,720	8,020	0	8,020	Lot to the east of this house	
22	F - 11	House off Umstead Dr.	n/a	n/a	0	0		
23	T - 9	House W. of Anderson	3,400	9,800	3,400	9,800	Lot to the east of this house	
24	L - 6	Inside Richardson Cir. - 1	6,750	1,230	0	0		
25	L - 6	Inside Richardson Cir. - 2			0	0		
26	L - 6	Inside Richardson Cir. - 3			0	0		
27	L - 6	Inside Richardson Cir. - 4			0	0		
28	L - 6	Inside Richardson Cir. - 5			0	0		
29	L - 6	Inside Richardson Cir. - 6			1,334	1,230		
30	L - 6	Inside Richardson Cir. - 7						
31	G - 10	Kirby	23,660	91,700	23,660	91,700		
32	L - 5	Lab	n/a	n/a	1,220	n/a		
33	P - 10	Laundry	7,110	10,740	0	0		
34	P - 12	Laundry Building	n/a	n/a	7,110	10,740		
35	L - 9	Lineberger	12,470	18,110	12,470	18,110		
36	P - 9	McBryde	162,460	44,520	162,480	44,520	Building area including courtyards. Parking is on Cafetena Dr and lot east of McBryde and parking in south courtyard	
37	L - 7	Outside Richardson Cir. - 1	5,490	2,220	0	0	Parking for old BSL-3	
38	L - 7	Outside Richardson Cir. - 2			0	0		
39	L - 7	Outside Richardson Cir. - 3			3,162	2,220		
40	K - 7	Outside Richardson Cir. - 4						
41	L - 8	Paint Shop - 1	4,420	38,000	4,420	38,000		
42	K - 8	Paint Shop - 2						
43	N - 6	Richardson Dr. - 1	9,430	770	0	0	Parking is for two houses furthest north	
44	N - 6	Richardson Dr. - 2			8,248	770		
45	M - 6	Richardson Dr. - 3						
46	N - 6	Richardson Dr. - 4						
47	M - 6	Richardson Dr. - 5						
48	O - 6	Richardson Dr. - 6						
49	M - 8	Royster	11,430	20,490	11,430	20,490		
50	P - 12	Ruggles	8,920	4,200	8,920	4,200	Includes parking in front and dock area	
51	D - 12	Scott	6,650	n/a	6,650	n/a	Included in Ashby parking area	
52	O - 13	Shed	n/a	n/a	4,590	18,110		
53	O - 10	Shop - 1	14,610	42,090	14,610	42,090	Areas east of garage, north of Engineering and lot on Whiteside Dr	
54	P - 10	Shop - 2						
55	O - 9	Spruill	15,580	n/a	15,580	n/a	Included in McBryde parking area	
56	O - 8	Spruill Annex	6,610	n/a	6,610	n/a	Included in McBryde parking area	
57	M - 7	Stancil Dr. 1	4,650	5,020	4,650	5,020	Parking areas are south and west	
58	M - 7	Stancil Dr. 2						
59	M - 6	Stancil Dr. 3						
60	N - 13	Steam Plant	6,560	17,100	6,560	17,100		
61	O - 6	Stone House 1	3,550	9,650	0	9,650	Two areas	
62	O - 6	Stone House 2						
63	O - 6	Stone House 3						
64	O - 5	Tate facing Western Blvd. - 1	8,520	4,570	8,520	4,570	Parking is for the two houses furthest north	
65	O - 5	Tate facing Western Blvd. - 2						
66	N - 5	Tate facing Western Blvd. - 3						
67	N - 5	Tate facing Western Blvd. - 4						
68	N - 5	Tate facing Western Blvd. - 5						
69	U - 6	Taylor	6,250	29,000	6,250	29,000	Area behind Anderson and Taylor	
70	M - 8	Warehouse	21,160	n/a	21,160	n/a	Included in Wright Parking Area	
71	J - 11	Williams	12,580	39,800	12,580	39,800		
72	M - 9	Wright	12,100	28,410	12,100	28,410	Area between Wright and Warehouse	
		Parking Area north of Hargrove	n/a	36,540	n/a	36,540		
		Big Parking Area northeast of Royster	n/a	59,560	n/a	59,560		
		Future Parking Area - Exercise Yard	n/a	n/a	n/a	28,990		
		Future Parking Area - Softball Field/Open Area	n/a	n/a	n/a	190,200		
		Total Estimated Area (SF):	583,060	929,590	570,284	1,185,620		
		Total Estimated Area (acres):	12.9	21.3	13.1	27.2		



PROPOSAL

D. H. GRIFFIN WRECKING CO., INC.
421 RALEIGH VIEW ROAD, RALEIGH, NC 27610
PHONE 919-772-4711 FAX 919-772-4311

PROPOSAL TO: O'Brien Atkins Associates	DATE: October 15, 2013
ATTN: Jay W. Smith	BUDGET
JOB NAME: Dorothea Dix Campus Demolition	LOCATION: Raleigh, NC
FAX:	PHONE: 919-612-5398 EMAIL: jsmith@obrienatkins.com

Based on site inspection and verbal descriptions, D. H. Griffin Wrecking Co., Inc. (DHGW) proposes the following scope of services:

1. Provide necessary labor, equipment, trucking, disposal cost, materials, insurance, etc. to perform work as indicated below and based on the 2007 State Government Facilities Master Plan indicating (1,191,558) square feet of total building area to be demolished.
2. DHGW will demolish and dispose of materials off site in accordance with local, state and federal regulations.
3. Demolish and dispose of the existing structures ranging in size from single story to multi story complete with slabs, basements, piers, and footers.
4. Rough grade areas to existing contours utilizing on site material
5. An asbestos inspection needs to be performed prior to demolition in accordance with state and federal regulations.
6. File required *National Emission Standards for Hazardous Air Pollutants* (NESHAP) forms ten (10) working days prior to commencement of any work related activities as mandated by state and federal law.

We propose hereby to perform the work as listed above for the lump sum **BUDGET** amount of: Five Million Two Hundred Twenty Five Thousand Dollars (\$5,225,000.00)**

Project Clarification:

- ** Price includes one (1) mobilization**
- ** The above quote is based on fuel cost as of the date of this bid**
- ** The above quote is based on working Monday – Saturday **
- ** Any delays or stoppages of work will be handled as an extra cost incurred by DHGW and will be invoiced to the owner or general contractor at an hourly or daily rate on equipment and labor**
- ** We allowed for fifty (50%) percent recycle by weight.

DHGW does exclude the following items:

- Removal of asphalt, underground utilities, curb and gutter or concrete walks
- City, state, and/or local permits other then specified above
- Protection and/or replacement of driveways and sidewalks that are to remain
- Demolition and/or removal of above and/or below ground items other then the above-mentioned
- Removal and/or protection of fences, trees and shrub
- Relocation, evacuation, disconnection, rerouting, capping, locating and marking of utilities within the demolition limits or protection of unmarked utilities within the limits of demolition
- Sediment or erosion control, tree protection, construction/ security fences and barricades
- Installation of temporary utilities (water source must be provided by others for dust control)
- Weather and dust protection
- Backfill and compaction
- Removal and disposition of any hazardous or asbestos materials, including paint, except those items, if any, which are described and itemized above, whether concealed or not.
- Identification or removal of underground storage tanks (USTs) or their contents, removal of tires, oil, Freon or other refrigerants.
- Cost of performance and payment bonds (can be provided at an additional cost)
- Signs and/or barricades

DHGW retains salvage rights to materials under contract.

If awarded contract, DHGW requests that a signed copy of this proposal become part of contract documents.

Payment to be made as follows: **Upon Completion or Monthly Progress Billings**

All payments are due and payable as noted. Whenever retainage is required to be withheld, upon completion of D.H. Griffin Wrecking Company, Inc.'s (DHGW) scope of work (contract or sub-contract) DHGW will issue an invoice for work performed and a separate final invoice for retainage. All retainage is to be paid in full no later than ninety (90) days from date of final invoice. Should the project duration exceed thirty (30) days monthly progress billings will be submitted and paid within thirty (30) days of submission. The undersigned further agrees to pay to D.H. Griffin Wrecking Company, Inc., a reasonable attorney's fee if the obligation evidenced hereby be collected by an attorney-at-law after maturity. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate.

Authorized Signature: *Ed Blount*

NOTE: This proposal may be withdrawn by DHGW if not accepted within 30 days of above date.

Ed Blount – Estimator; Mobile # 919-427-2174 // eblount@dhgriffin.com

PLEASE SIGN, DATE AND RETURN ORIGINAL

Acceptance of Proposal – The above prices, specifications and conditions are satisfactory and are hereby accepted. You are **authorized to do the work as specified. Payment will be made as outlined above.**

Signature

Name and Title

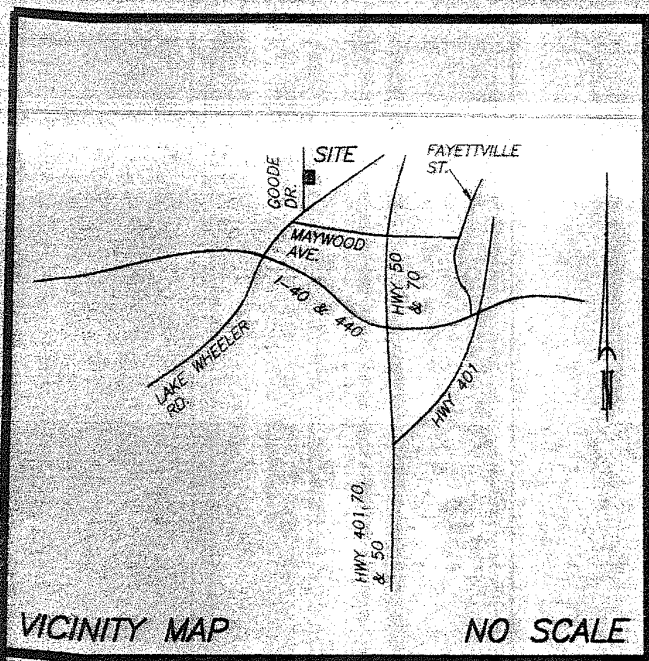
Date of Acceptance



www.dhgriffin.com

421 Raleigh View Rd., Raleigh, NC 27610

Office 919-772-4711 // fax 919-772-4311



N.C.G.S. "DIX"
NAD 83
N.C. GRID COORDS:
N=733,898,900
E=2,100,997,763

THE STATE OF NORTH CAROLINA
D.B. 219, PG. 241
PIN NO. 793.15-64-4677
MAP BY MOORE, GARDNER, AND ASSOCIATES, INC.
ENTITLED "PROPERTY SURVEY FOR DOROTHEA DIX
HOSPITAL", AND DATED MARCH 1964.

N.C. GRID COORDS.
N=733,373,871
E=2,101,061,583

THE STATE OF NORTH CAROLINA
D.B. 219, PG. 241
PIN NO. 793.15-64-4677
MAP BY MOORE, GARDNER, AND ASSOCIATES, INC.
ENTITLED "PROPERTY SURVEY FOR DOROTHEA DIX
HOSPITAL", AND DATED MARCH 1964.

4.377 ACRES

THE STATE OF NORTH CAROLINA
D.B. 219, PG. 241
PIN NO. 793.15-64-4677
MAP BY MOORE, GARDNER, AND ASSOCIATES, INC.
ENTITLED "PROPERTY SURVEY FOR DOROTHEA DIX
HOSPITAL", AND DATED MARCH 1964.

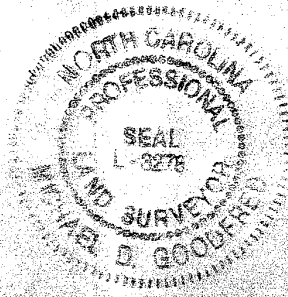
THE STATE OF NORTH CAROLINA
D.B. 219, PG. 241
PIN NO. 793.15-64-4677
MAP BY MOORE, GARDNER, AND ASSOCIATES, INC.
ENTITLED "PROPERTY SURVEY FOR DOROTHEA DIX
HOSPITAL", AND DATED MARCH 1964.

70' CP&L EASEMENT
D.B. 2121, PG. 631
D.B. 1293, PG. 589 (THIRD SEGMENT)
D.B. 236, PG. 4
B.M. 1885, PG. 108

THE STATE OF NORTH CAROLINA
D.B. 219, PG. 241
PIN NO. 793.15-64-4677
MAP BY MOORE, GARDNER, AND ASSOCIATES, INC.
ENTITLED "PROPERTY SURVEY FOR DOROTHEA DIX
HOSPITAL", AND DATED MARCH 1964.

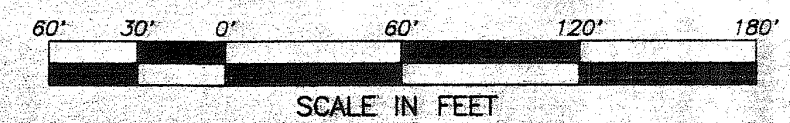
NORTH CAROLINA
WAKE COUNTY
MICHAEL D. GODDARD, CERTIFY THAT THIS PLAT WAS DRAWN UNDER MY
SUPERVISION FROM AN ACTUAL SURVEY MADE UNDER MY SUPERVISION.
DEED DESCRIPTION RECORDED IN BOOK PAGE THAT THE RATIO
OF PRECISION AS CALCULATED IS 1:162,219. THAT THIS PLAT WAS PREPARED
IN ACCORDANCE WITH G.S. 47-30 AS AMENDED, WITNESS MY ORIGINAL SIGNATURE.
REGISTRATION NUMBER AND SEAL THIS 4th DAY OF AUGUST, A.D., 1999.

REGISTRATION No. L-3278 LAND SURVEYOR



NOTE:
-ALL EASEMENTS ARE CENTERED OVER STRUCTURES
UNLESS OTHERWISE NOTED.

NOTE:
-RAW ERROR OF CLOSURE WAS 162,219+. MIS-CLOSURE WAS
DISTRIBUTED BY THE COMPASS METHOD. THE DISTANCES ON
THIS MAP ARE ADJUSTED HORIZONTAL GROUND DISTANCES
UNLESS NOTED OTHERWISE. ALL AREA CALCULATED BY
COORDINATE COMPUTATION.



LEGEND
(IPS)-IRON PIPE SET
(BC)-BACK OF CURB
(PP)-POWER POLE
(OHPL)-OVERHEAD POWERLINES

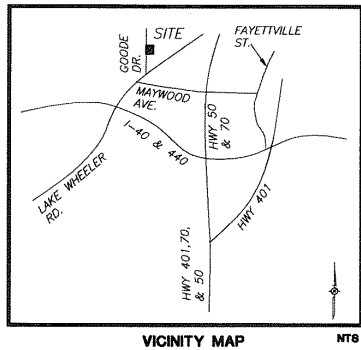
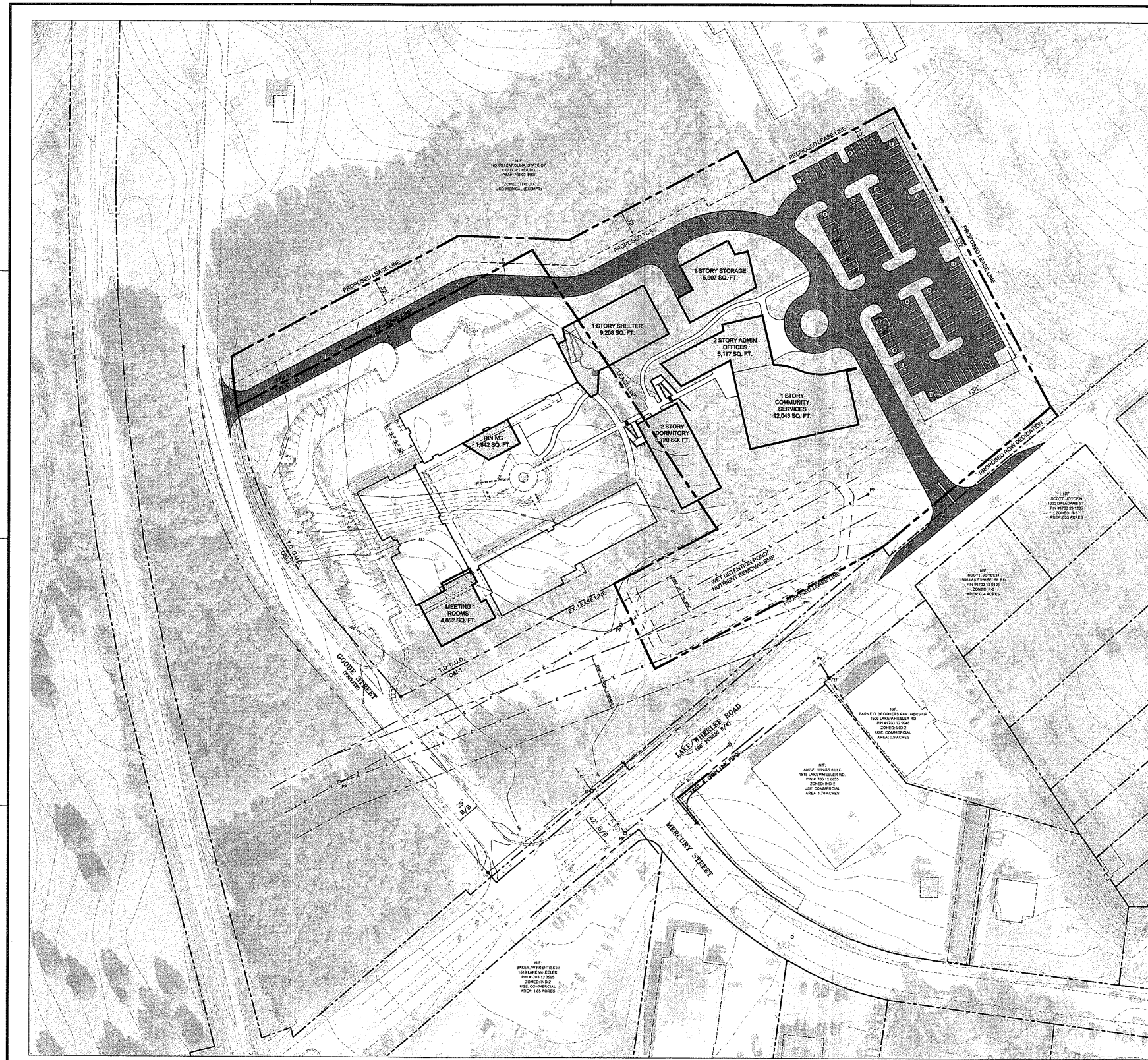
CURVE TABLE					
CURVE	DELTA	RADIUS	ARC	CHORD	TANGENT
C1	30°58'34"	550.00	297.35	293.74	152.41

FILE: DIX

REVISIONS	BOUNDARY SURVEY FOR THE HEALING CENTER AT DIX CAMPUS		KENNETH CLOSE, INC. Land Surveying 7406-L CHAPEL HILL ROAD - RALEIGH, NC 27607 PHONE: (919)851-2344 FAX: (919)851-5201	
	TOWNSHIP: RALEIGH	COUNTY: WAKE	SURVEY DATE: 7-16-99	SURVEYED BY: KW
	STATE: NORTH CAROLINA		SCALE: 1" = 60'	DRAWN BY: SEP
	ZONE:	P.I.N: 793.15-64-4677	CHECKED & CLOSURE BY: MG	

EXH B orig issue

H:\THE SITE GROUP\PROJECTS\HOSPITAL\HOSPITAL\STAGE.dwg, 10/9/2012, 2:17:12 PM, Brandon Moore



CONCEPT SUMMARY

- | | |
|--------------------------------|---|
| 1. WAKE COUNTY PIN: | PORTION OF 0793.15-64-4677 |
| 2. ADDRESS: | 1251 GOODE STREET |
| 3. CURRENT ZONING: | THOROUGHFARE DISTRICT C.U.D. (Z-103-99) & OFFICE INSTITUTIONAL-1 (REZONE REQ'D) |
| 4. CURRENT USE: | EMERGENCY SHELTER TYPE A |
| 5. TOTAL SITE AREA: | 10.475 AC. (EXCL. R/W'S) |
| EXIST. LEASE AREA: | 4.377 AC |
| ADD'L LEASE AREA: | 6.098 AC |
| NEW ROW DEDICATION: | 0.087 AC |
| 6. EXISTING BUILDING AREA: | 40,660 SF |
| 7. PROPOSED BUILDING ADDITION: | 62,640 SF |
| 8. TOTAL BUILDING AREA: | 103,300 SF |
| 9. PARKING SUMMARY: | EMERGENCY SHELTER: |
| BASIS OF DETERMINATION: | 1 SPACE/8 BEDS |
| EXISTING REQUIRED: | 168 BEDS/8 = 21 SPACES REQ'D |
| EXISTING PROVIDED: | 50 SPACES (INCL 2 H/C) |
| PROPOSED REQUIRED: | 300 BEDS/8 = 38 SPACES REQ'D |
| PROPOSED PROVIDED: | 162 SPACES (INCL 6 H/C) |
| 10. TOTAL ADA REQUIRED: | 6 SPACES |

GENERAL NOTES:

1. BASE INFORMATION IS TAKEN FROM PREVIOUS CONSTRUCTION PLANS, THE WAKE COUNTY GIS AND THE CITY OF RALEIGH GIS. ADDITIONAL PLANIMETRIC DATA IS DRAWN FROM AVAILABLE AERIAL IMAGERY PROVIDED BY WAKE COUNTY.
2. CITY OF RALEIGH ZONING REGULATIONS APPLY TO THE DEVELOPMENT OF THIS SITE. THE PORTION OF THE SITE ZONED OFFICE & INSTITUTIONAL-1 WILL NEED TO BE REZONED TO ALLOW THE EXPANSION AS PROPOSED FOR THIS SITE.
3. THIS SKETCH LAYOUT IS TO BE USED FOR PLANNING PURPOSES ONLY. THE SKETCH ACCURACY IS LIMITED TO THE BASE INFORMATION SOURCES AND IS INTENDED TO PORTRAY DEVELOPMENT POTENTIAL FOR THE SITE.
4. THE STATE OF NORTH CAROLINA AND THE CITY OF RALEIGH WILL REGULATE THE DEVELOPMENT OF THIS SITE. REASONABLE ASSUMPTIONS OF PARKING REQUIREMENTS, BUFFERS, AND SETBACKS HAVE BEEN MAINTAINED BASED ON EXISTING DEVELOPED SITE CONDITIONS, ANTICIPATED NEED, AND THE CITY OF RALEIGH DEVELOPMENT REGULATIONS.



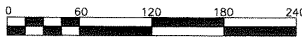
NORTH

NOT FOR CONSTRUCTION

CONCEPTUAL LAYOUT

SCALE: 1" = 60'

(DRAWING SCALED FOR 24x36 INCH PLOTS)



THE SITE GROUP
INC.
CIVIL ENGINEERS • LANDSCAPE ARCHITECTS
LICENSE NO. P-3803 LICENSE NO. C-383
THE SITE GROUP, PLLC
27605-1136 USA
Raleigh, NC 27605-1136
Office: 919-333-2255
E-Mail: efs@td-corp.com

FEASIBILITY SKETCH
THE HEALING PLACE
DOROTHEA DIX CAMPUS
1251 GOODE DRIVE
RALEIGH, NORTH CAROLINA

Drawn By **BDM**
Checked By **EFS**

DATE:
5 OCT 2012

CONCEPT DEVELOPMENT

CONCEPTUAL LAYOUT

Job Code **THPFM**

Dwg No.
SK
1.0

EXH D

QUALIFICATIONS

DONALD SCOTT JOHNSON

Johnson & Knight Appraisal Services, Inc.
764 Weldon Road
Henderson (Franklin County), North Carolina 27537

President of Johnson & Knight Appraisal Services, Inc. since 1984

EDUCATION

BA from the University of South Florida, Political Science

Completed the following Appraisal Institute courses:

Real Estate Appraisal Principles	Basic Valuation Procedures
Capitalization Theory and Techniques, Parts 1, 2, 3	Case Studies in Real Estate Valuation
Valuation Analysis and Report Writing	Litigation Valuation
Standards of Professional Practice	

Completed the following continuing education courses within the past several years:

Eminent Domain (6/02)
Analyzing Distressed Real Estate (7/03)
The Appraisal Board Speaks to You/Courtroom Etiquette (11/03)
Trending Via Demographics/Appraising Land for Development Potential (11/04)
Conservation Easements & Case Studies (3/05)
Appraisal Review – General (1/06)
The Appraiser Performing Ethically (3/07)
Tackling Highest & Best Use in a Range of Situations (3/07)
Business Practices and Ethics (12/07)
Valuation of Conservation Easements (8/08)
An Introduction to Valuing Green Buildings (1/09)
National USPAP Update 2010 (3/10)
Under What Market Conditions are We Appraising Today? (3/10)
Applying Assignment Conditions to Value Situations (3/11)
Analyzing the Effects of Environmental Contamination on Real Property (8/11)
National USPAP Update 2012 (3/12)
You, The Court & The Other Side (3/13)
Complex Litigation Appraisal Case Studies (8/13)

LICENSES AND CERTIFICATIONS

- Current Member of the Appraisal Institute, with designation MAI, Certificate #6146, awarded in 1980. Current with all requirements of the continuing education program of the Appraisal Institute
- State of North Carolina State-Certified General Real Estate Appraiser, Certificate #A395
- Commonwealth of Virginia State-Certified General Real Estate Appraiser, #4001 011888
- Licensed State of North Carolina Real Estate Broker since 1985, License #85411
- Licensed Commonwealth of Virginia Real Estate Broker since 1985, Certificate #25672
- Licensed State of Florida Real Estate Broker since 1977, License #119647
- Licensed State of North Carolina General Contractor, License #18579
- Appraisal Institute Certificate of Completion for the Valuation of Conservation Easements certificate program (8/08)

BOARDS AND COMMITTEES

- Former Member of the North Carolina Appraisal Board
- Director North Carolina Chapter of the Appraisal Institute

PROFESSIONAL EXPERIENCE

- Appraisal of unimproved and improved properties, including single family and multi-family residential, commercial, office, retail, industrial, corridor and special purpose properties, for the purposes of estimating market value, across-the-fence value, insurance value, market rent, for mortgage financing, sales negotiations, lease analysis, estate settlement, insurance settlement, since 1973, for property owners, attorneys, lending institutions, CPAs, private firms and:

Philip Morris USA
Bank of America
E.I. du Pont de Nemours and Company
Duke Energy Progress Carolinas
Prudential Realty Group
PNC Bank
Branch Bank & Trust Company
Central Carolina Bank
City of Charlotte
North Carolina State University
First Citizens Bank
Conservation Trust for North Carolina
Vulcan Materials

Williams Mullen
Moore & Van Allen
Norfolk Southern Corporation
Smith Moore
CSX Transportation, Inc.
Dominion Transmission
Hunton & Williams
Martin Marietta Aggregates
Wake County School Board
Universal Leaf North America
Cranfill, Sumner & Hartzog
International Paper Company
Boxley, Bolton, Garber & Haywood

- Provided condemnation appraisal services since 1973 for various clients, including private property owners and:

US Department of Justice
NC Department of Administration
Counties of Wake, Durham, Franklin,
Vance, Warren, Wilson
Progress Energy Carolinas
Florida Dept. of Environmental Resources

NC Department of Transportation
NC Department of Justice
Cities & Towns of Raleigh, Louisburg,
Wilson, Wake Forest, Hillsborough,
Clayton, Apex, Cary, among others
SW Florida Water Management District

- Provided appraisals for the purposes of contesting or defending ad valorem tax assessments for private property owners and for county taxing authorities, including testimony before the North Carolina Property Tax Commission
- Qualified Expert Witness in United States District Court, Eastern District of the State of North Carolina
- Qualified Expert Witness in Federal Bankruptcy Court
- Qualified Expert Witness in the Courts of Wake, Johnston, Franklin, Granville, Wilson, Nash, Orange, Brunswick Counties, North Carolina, and Hillsborough, Pinellas, Hernando, Pasco Counties, Florida
- Qualified appraiser for the United States Army Corps of Engineers
- Provided real estate consultation services for attorneys, lending institutions, trust departments, private firms and public agencies
- Several years general construction experience, including land development in the southern and southwestern sections of the United States

TEACHING

- *Appraising and Defending Assessments of Limited Market Properties* - International Association of Assessing Officers/Jeff Hunt, CAE Trust Fund
- *Conservation Easements and Other Land Preservation Techniques* – NCSU Cooperative Extension
- *The Role of the Independent Appraiser in the Tax Process* – Continuing Legal Education
- *The Appraisal of Leasehold Interests in Exempt Real Property* – NCAAO/NCTCA

